S. Hrg. 99-16

ALCOHOL ADVERTISING

HEARING

BEFORE THE

SUBCOMMITTEE ON CHILDREN,
FAMILY, DRUGS AND ALCOHOLISM

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

ON

REVIEWING ADVERTISEMENTS AND TELEVISION COMMERCIALS
PROMOTING THE SALE AND CONSUMPTION OF ALCOHOLIC BEVERAGES

FEBRUARY 7, 1985

Printed for the use of the Committee on Labor and Human Resources

U.S. GOVERNMENT PRINTING OFFICE
45-933 O WASHINGTON : 1985

5541-47

COMMITTEE ON LABOR AND HUMAN RESOURCES

ORRIN G. HATCH, Utah, *Chairman*

ROBERT T. STAFFORD, Vermont
DAN QUAYLE, Indiana
DON NICKLES, Oklahoma
PAULA HAWKINS, Florida
STROM THURMOND, South Carolina
LOWELL P. WEICKER, Jr., Connecticut
MALCOLM WALLOP, Wyoming
CHARLES E. GRASSLEY, Iowa

EDWARD M. KENNEDY, Massachusetts
CLAIBORNE PELL, Rhode Island
HOWARD M. METZENBAUM, Ohio
SPARK M. MATSUNAGA, Hawaii
CHRISTOPHER J. DODD, Connecticut
PAUL SIMON, Illinois
JOHN F. KERRY, Massachusetts

Ronald F. Docksai, *Staff Director*
Kathryn O'L. Higgins, *Minority Staff Director*

CHILDREN, FAMILY, DRUGS AND ALCOHOLISM

PAULA HAWKINS, Florida, *Chairman*

DAN QUAYLE, Indiana
CHARLES E. GRASSLEY, Iowa
DON NICKLES, Oklahoma
ORRIN G. HATCH, Utah
(ex officio)

CHRISTOPHER J. DODD, Connecticut
JOHN F. KERRY, Massachusetts
HOWARD M. METZENBAUM, Ohio
EDWARD M. KENNEDY, Massachusetts
(ex officio)

John Dudinsky, *Counsel*
Marsha Renwanz, *Minority Professional Staff*

CONTENTS

STATEMENTS

THURSDAY, FEBRUARY 7, 1985

Page
Association of National Advertisers, Inc., prepared statement 347
Atkin, Charles K., professor, Department of Communication and Telecommunication, Michigan State University, prepared statement 286
Baker, Martha, president, National Council on Alcoholism, prepared statement 279
DeLuca, John A. president, Wine Institute; Donald B. Shea, president, U.S. Brewers Association, Inc.; Frank Flynn, chairman, Alcohol and Drug Abuse Committee, Florida Association of Broadcasters; Stephen K. Lambright, vice president and group executive, Anheuser-Busch Co., Inc.; Alan G. Easton, vice president, corporate affairs, Miller Brewing Co.; Leonard S. Matthews, president, American Association of Advertising Agencies; Craig R. Smith, president, Freedom of Expression Foundation; and Edward O. Fritts, president, National Association of Broadcasters, a panel 27
  Prepared statement (with attachments) 32
Easton, Alan G., vice president, corporate affairs, Miller Brewing Co., prepared statement 125
Flynn, Frank, chairman, Alcohol and Drug Abuse Committee, Florida Association of Broadcasters, prepared statement (with attachment) 77
Fritts, Edward O., president, National Association of Broadcasters, prepared statement 182
Hewlett, Augustus H., president, Alcohol Policy Council, Inc., prepared statement 343
Hollis, Harry N., Jr., director of family and special moral concerns, the Christian Life Commission, prepared statement (with enclosures) 338
Jacobson, Michael, executive director, Center for Science in the Public Interest; Samuel Simon, president, Telecommunications Research and Action Center; Peggy Sapp, executive director, Informed Families, Dade County, FL; Martha Baker, president, National Council on Alcoholism; Charles K. Atkin, professor, Department of Communication and Telecommunication, Michigan State University; Elaine Stienkemeyer, president, National Parent-Teacher Association; and Lloyd Johnston, program director, Institute for Social Research, University of Michigan, a panel 236
  Prepared statement 240
Johnston, Lloyd D., Ph.D., program director, Institute for Social Research, University of Michigan, prepared statement 317
Lambright, Stephen K., vice president and group executive, Anheuser-Busch Cos., Inc., prepared statement 101
Matthews, Leonard S., president, American Association of Advertising Agencies, prepared statement 145
Miller, James C., III, Chairman, Federal Trade Commission, accompanied by Carol Crawford, Director, Bureau of Consumer Protection, and Wally Snyder, Associate Director for Advertising Practices 3
  Prepared statement 7
Shea, Donald B., president, U.S. Brewers Association, Inc., prepared statement 58
Smith, Craig R., president, Freedom of Expression Foundation, prepared statement 161
Stienkemeyer, Elaine, president, National PTA, prepared statement 295

Page

Strickland, Donald E., Ph.D., assistant director, Social Science Institute, Washington University in St. Louis, prepared statement 360
The Church of Jesus Christ of Latter-Day Saints, prepared statement 351

ADDITIONAL MATERIAL

Articles, publications, et cetera:
  Brewing Issue—Controversy is Rising Over Beer Promotions on College Campuses, by Jonnie L. Roberts, staff reporter of the Wall Street Journal, January 30, 1985 18
  Stars are lacking luster as ad presenters, by Scott Hume 206
  Anheuser-Busch programs to promote responsible drinking 215
  The Manufacture of Desire: Alcohol Commercials and Society 374
  Federal Trade Commission's denial of Omnibus Petition for Regulation of Unfair and Deceptive Alcoholic Beverage Advertising and Marketing Practices (Docket No. 209-46), April 15, 1985 389

ALCOHOL ADVERTISING

THURSDAY, FEBRUARY 7, 1985

U.S. Senate,
Subcommittee on Children, Family,
Drugs and Alcoholism,
Committee on Labor and Human Resources,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:08 a.m., in room SD-430, Dirksen Senate Office Building, Senator Paula Hawkins (chairman of the subcommittee) presiding.

Present: Senators Hawkins, Eagleton, and Thurmond.

Also present: Senator Kasten.

OPENING STATEMENT OF SENATOR HAWKINS

Senator **Hawkins**. Good morning. Today, we will discuss the issue of beer and wine advertising on the broadcasting media. If the volume of inquires which I have received is any indication, this issue has turned into a runaway freight train.

Lined up on either side are some of the prime moving forces of 20th century American society. In favor of the ban, civic groups, churches, and a coalition called SMART, which is fast closing in on 1 million names on its petition, and on the other side are the media, advertisers, and the alcohol industry.

As you can imagine, this presents tough political sledding. Who, after all, would want to be seen as voting against the wishes of a million vocal supporters of anything? On the other hand, there are some important first amendment considerations.

There are those who say that the first amendment does not seem to apply to the broadcast media. It is much more heavily regulated. It is not completely free to speak. We in Congress must seriously ask ourselves, do we want to infringe upon the rights of broadcasters even more?

But this is not news we are talking about, after all. What we are discussing is advertising—advertising which glorifies behavior that not everyone approves of in this country. We are talking about advertising on television, the medium we wake up to, live by, and go to sleep with every evening.

It is the nature of advertising to make products look attractive. They would not be doing their job if they did not. But consider that some estimates say the average teenager sees about 1,000 beer, wine, and alcohol ads each year.

What does it do to the attitudes of a 14-year-old, unsure of who he is, and what he will become, when he is constantly told that there is only one way to bring out your best or grab all the gusto?

And what does it mean to him to hear these messages from the retired sports figures he and his parents look up to?

I have had many teenage drug addicts testify before this subcommittee in this room and around the United States. I heard dozens more before I became a Member of the Senate. Every one of them tells me that the first substance they abused was alcohol. Either they found some in their parents' cupboards or they asked another kid to buy it for them, but they all say, every single one of them, that first they abused alcohol and then they mixed it up with other drugs.

The easy thing to do, of course, is to blame the media. That is what we always seem to do. The media glamorizes alcohol. That is why kids drink to excess; blame the media. We plunk our kids down in front of the tube for 27 hours a week. We let the TV be a babysitter and then if our kids are messed up, we say television did it.

This attitude seems to reach a crescendo periodically. The last time was on the subject of violence on children's television. Each time, the emotions pour out on both sides, but the questions remain unanswered.

Here we are again, back in this room, trying to decide another question of our age, another media-centered dilemma. This time, the question is: "Just what is advertising for?" At first glance, that seems like a relatively simple one to answer, but for years sociologists, psychologists, marketing researchers, advertisers, and vendors have asked this question. Does advertising make you buy a product, or does it merely convince you to buy one brand of product over another?

Is television advertising by nature coercive? Does it overtly or subliminally make you do or buy things you would not otherwise consider? Does it just act as a sophisticated bulletin board, listing available purchase options?

This is the first question which must be addressed. Only then can we decide whether a ban is needed or even worth being considered. I must say the jury is still out in my mind, regardless of what you read in the media.

Cigarette ads were banned a long time ago. Today, in 1985, you will see studies that say smoking has decreased and others that say more people are smoking than ever before. We all know the Marlboro Man has been replaced by the Jane Fonda Workout on the screens of American television, but who is to say, if smoking has decreased, which of these phenomena is responsible, the lack of one or the presence of the other?

There are so many questions which remain unanswered, but that is why this hearing was called. We need to investigate the relationship between advertising and alcohol abuse. We need to learn once and for all whether a connection, in fact, exists.

One thing we do know, excessive alcohol consumption can be dangerous. Everyone here in this room knows this. The alcohol industry and the broadcasters must be congratulated for the strong, effective campaigns they have waged to discourage irresponsible drinking.

We as a nation have developed a new awareness and intolerance of this situation. I am pleased with the recent civic and media response to this problem. I cannot ever recall hearing as many advertisements and simple reminders about the dangers of drinking and driving as I did this past holiday season. We are beginning to do a good job in that regard, but we must continue.

The alcohol advertising issue is upon us. We may very well be expected to act on it in the near future. I know they are holding hearings on the House side, but I feel we should hear both sides of this issue so that we will be prepared with all the facts so we may act responsibly.

Senator Eagleton is with us today. Do you have a statement?

Senator EAGLETON. I have no statement.

Senator HAWKINS. We will now hear from the Chairman of the Federal Trade Commission, Mr. James Miller.

We wish to welcome you here, Mr. Miller, and thank you very much for taking the time to be with us this morning. Please proceed.

STATEMENT OF JAMES C. MILLER III, CHAIRMAN, FEDERAL TRADE COMMISSION, ACCOMPANIED BY CAROL CRAWFORD, DIRECTOR, BUREAU OF CONSUMER PROTECTION, AND WALLY SNYDER, ASSOCIATE DIRECTOR FOR ADVERTISING PRACTICES

Mr. MILLER. Thank you, Madam Chairman. I am pleased to be here today. With me are Carol Crawford, Director of the Bureau of Consumer Protection, and Wally Snyder, who is Associate Director for Advertising Practices.

We view alcohol advertising, as a very important issue. I have a prepared statement which I request be inserted in the record.

Senator HAWKINS. Surely.

Mr. MILLER. I would like to make a brief presentation of my own preliminary personal views, and then address any questions you may have.

Let me start by putting this problem in perspective. First, alcohol abuse, including alcoholism, is an extraordinarily important problem, contributing to traffic fatalities, other accidents, homicides, child abuse, and anguish for abusers and others.

Second, in some respects, the definition of the problem is unclear. Obviously, we do not want our children—those unable to make this decision for themselves—consuming alcoholic beverages. Obviously, too, we want to restrain the type of third-party effects mentioned earlier—drunk driving, homicides, child abuse, and so forth. But what about consumption that affects only the one doing the consuming? Views on this differ. For what it is worth, my own view is that Government should not prevent someone from consuming alcohol, provided he or she does not hurt anyone else in the process. But Government may well have a role in communicating to the excessive drinker the costs entailed and possibly helping rehabilitate those who are willing.

Third, the vast majority of alcoholic beverage consumers cause no problems whatsoever. As in much of life, the real problems are caused by the few rotten apples. In our contemporary lexicon, "Joe Six Pack", initially a term of derision, is now a term of endearment. Thus, it is not the "Joe and Jenny Six Packs" that merit our attention, but those who abuse alcohol.

Fourth, the alcohol industry creates large benefits to society. Millions of adult Americans enjoy consuming alcoholic beverages, and do so in moderation. There is even some evidence that limited consumption is beneficial in terms of its health effects, at least to some people.

Alcohol advertising, the subject of this hearing, also generates benefits. It provides information to consumers concerning the availability and attributes of various product offerings. In so doing, it helps keep the market competitive. And because of the way in which it is delivered, revenue from alcohol advertising supports other services consumers enjoy, such as sports broadcasts and newspapers and magazines.

Fifth, the causes of and possible solutions to, alcohol abuse are extremely complicated. The incidence of alcohol abuse is related to a myriad of factors—sociological, psychological, physiological and genetic. While it is hard to explain why someone is an alcohol abuser, it is even more difficult to identify ways that will be effective in ending or even moderating that abuse.

Last, the relationship between alcohol abuse, and alcohol advertising is a very emotional issue. I have heard some opponents imply that allowing the advertising of alcoholic beverages is tantamount to condoning carnage on the highways. And I was told by one network official, and this is a quote: "Without beer advertising, there would not be any Super Bowl; it is as simple as that."

I suggest we lay aside excessive emotionalism, Madam Chairman, and carry out what this subcommittee has begun—namely, an indepth, objective review of the problem and its possible solutions.

First, let us look at the overall effects. An intensive review of available studies reveals no clear evidence of a link between overall alcohol advertising and overall alcohol abuse. In fact, there is no hard evidence of a correlation between overall alcohol advertising and overall consumption of alcoholic beverages. So, it is not at all clear that a ban on alcohol advertising would be very effective in limiting alcohol abuse.

In fact, it conceivably could have the opposite effect. Eliminating advertising expenses might reduce the cost, and ultimately the price of alcoholic beverages, thus, perhaps, leading to more consumption and/or a higher incidence of abuse.

Less marketing of beer might also lead users to turn more to hard liquor and even other drugs. Limits on alcohol advertising thus could halt the shift in consumption patterns toward lower alcohol beers.

The net impact on abuse, of course, is some what uncertain, but these are things to consider.

Second, what about specific ads allegedly directed at children or that are alleged to condone antisocial behavior? Some ads are problematic. The use of retired athletes to hawk beer, for example, could appeal unduly to youth. Some ads do appear to come close to promoting excessive consumption or implying that even drinking and driving is OK.

It would seem also that sponsorship by alcohol interests of some events on college campuses has an undue influence on audiences that are under age. However, these kinds of ads and marketing practices would seem to be exceptions to the rule. Thus, as a general proposition, alcohol advertising would seem well within reasonable bounds unless one feels that promoting alcohol consumption itself is wrong, in which case I suggest the issue is really whether alcoholic beverages should be legal in the first place.

Third, what is the FTC's role in all of this? We have two legal standards for finding an advertisement unlawful. First, deception, which is a material misrepresentation, omission, or practice that is likely to mislead consumers interpreting the ad in a reasonable manner.

An example would be a claim that consuming brand "X" of beer would improve one's driving skills. That would be deceptive.

The second standard is unfairness, which is a representation that produces unavoidable, substantial injury to consumers. An example would be an ad that encouraged consumers to drink and then drive. Because of the enormous costs associated with drunken driving such an ad would be unfair.

Our methods of dealing with such matters are also two in number: case-by-case enforcement and rulemakings. We will continue to review all ads for alcoholic beverages and prosecute those that are deceptive or unfair on a case-by-case basis. I think it unlikely, however, that the Commission will engage in a rulemaking in this area. There is little evidence of widespread deception, and, whatever one might think about unfairness with respect to alcohol advertising, the Federal Trade Commission does not possess the authority to engage in a rulemaking proceeding under an unfairness theory with respect to any aspect of commercial advertising.

So it is unlikely the FTC will mount any frontal assault on alcohol advertising. Even if we did, the data and studies we have reviewed cause me to doubt whether it would have much effect on alcohol abuse.

Even if it were possible to have a significant impact on alcohol abuse by banning certain kinds of alcohol advertisements, I would prefer that such a decision be made by the Nation's elected representatives, not by five unelected FTC commissioners.

If banning certain alcohol advertising is not the answer, then what should be done? I suggest we direct our attention to abusers of alcohol, not legitimate users, bearing in mind the need to maintain the maximum feasible degree of latitude for individual consumer choice.

Several possibilities come to mind: First, stronger and more certain penalties for the antisocial behavior related to alcohol abuse—drunk driving, homicides, child abuse, and other crimes; second, more effective efforts to apprise consumers of the personal costs of excessive alcohol consumption; and, third, more support for programs which counsel excessive drinkers, rehabilitate alcoholics, and provide services to other victims of alcohol abuse.

How can this be done? First, better coordination among Government agencies—the Federal Trade Commission, the Bureau of Alcohol, Tobacco and Firearms, the National Highway Traffic Safety Administration, health organizations, and so forth. The interagency committee approach suggested in my prepared remarks is one possibility.

Second, I believe that increased emphasis on these same issues by volunteer organizations and other non-Government agencies would be very beneficial. Last, but certainly not least, the industry must do more. It should engage in more public programs emphasizing the virtues of moderation.

The industry also needs to be more sensitive and sensible in three areas:

Advertising copy that may unduly appeal to youth, where the same information might be conveyed to adults in a reasonably effective alternative manner;

Advertisements that could be construed to promote excessive consumption or to condone antisocial behavior; and,

Marketing practices: such as those on some college campuses, which appear to appeal unduly to young people or problem drinkers.

We all have a responsibility in this matter, but industry's responsibility is greatest of all. Moreover, industry has the most to lose if more accommodating approaches fail.

To sum up, alcohol abuse is an important public health problem that demands a thoughtful, coordinated approach. But alcohol advertising would seem to be, at most, a small part of the problem and, at best, an even smaller part of the solution.

We at the FTC pledge our continued efforts to make sure alcohol advertising is neither deceptive nor unfair, and we stand ready to work with this committee, other agencies, industry and voluntary associations to help ameliorate alcohol abuse's terrible costs.

Madam Chairman and members of the committee, that completes my testimony. I shall be happy to address any questions you might have.

[The prepared statement of Mr. Miller follows:]

FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

STATEMENT OF

JAMES C. MILLER III

CHAIRMAN

FEDERAL TRADE COMMISSION

before the

SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE

COMMITTEE ON LABOR AND HUMAN RESOURCES

UNITED STATES SENATE

FEBRUARY 7, 1985

Madam Chairman and Members of the Subcommittee: I am pleased to be here today to express some preliminary, personal views[1] on the role I believe government might play in reducing the societal problem of alcohol abuse.

Alcohol abuse, including alcoholism, is an extraordinarily serious problem. It contributes to a large percentage of all traffic fatalities, industrial accidents, drownings, burnings, injurious falls, and incidents of violent crime. It leads to substantial losses in productivity. And, it results in severe health, psychological, and social consequences for the abuser, for family members, and for friends and colleagues.

Besides being enormously costly, the problem of alcohol abuse is extremely complex. The incidence of alcohol abuse has been related to a myriad of sociological, psychological, physiological, and genetic factors. Indeed, a complete understanding of this serious problem, not to mention its solution, may well be beyond our ability to achieve. Of course, this does not mean we in government should simply give up and walk away from the issue. On the contrary, collective efforts may be particularly appropriate and effective in the following areas: establishing minimum drinking ages and similar restrictions on consumption; greater and more certain civil and criminal sanctions for conduct likely to cause injury -- for example, driving while intoxicated; and facilitating public education, counseling, and treatment programs.

---

[1] Thus, these views are subject to modification or amplification at a later date; also, they do not necessarily reflect those of the other Commissioners.

In the remainder of my remarks today I will describe the nature of the FTC's current involvement in the issue of alcohol advertising, describe the statutory and legal framework surrounding our consideration of this issue, and discuss the role of other Federal agencies. I will also address possible alternatives to direct intervention by the Federal government, including a more coordinated approach to the distribution of information concerning the adverse health effects of inappropriate alcohol consumption.

Let me emphasize at the outset my conclusion that advertising is only a small part of the overall picture. Alcohol abuse is best understood as a public health problem, not just a matter of promotion. Dealing with this public health issue will require a coordinated approach directed to the aspects of the problem where doing something is likely to have the greatest impact. Thus, if I appear to be minimizing the relevance of alcohol advertising to the problem, it is not for lack of appreciation for the social costs imposed by alcohol abuse, but a realization that there would appear to be more cost-effective means for dealing with the problem.

Whether correct or not, there seems to be a growing public perception that advertising contributes to the problem of alcohol abuse, including alcoholism. Last June, a coalition of dozens of national organizations interested in the problem of alcohol abuse -- including groups as diverse as the National PTA, the General Board of the United Methodist Church, and the Center for Science in the Public Interest -- organized Project SMART: Stop Marketing Alcohol On Radio And Television. The stated aim of this grass-roots effort is to demonstrate broad public concern about alcohol advertisements by collecting a million signatures calling for a ban on broadcast alcohol advertising or an equal-time requirement for counter-advertising. The coalition intends to present the completed petition to Congress and the President. In a related action, a coalition consisting of many of the same groups jointly filed a petition with the FTC seeking increased Commission restraints on alcohol advertising and marketing.[2] We have placed this petition on the public record, along with comments on the petition submitted by consumers, industry officials, and experts on alcohol abuse. Our staff has also been hard at work analyzing the issues raised in the petition. As you know, the Commission has not yet made a response in this matter.

---

[2] Omnibus Petition for Regulation of Unfair and Deceptive Alcoholic Beverage Advertising and Marketing Practices, Docket No. 209-46 (November, 1983).

The petitioners argue that even where current advertising and promotional practices -- such as beer-company-sponsored events on college campuses -- do not expressly misrepresent the attributes of alcohol products, they are, nevertheless, deceptive and/or unfair under terms of the Federal Trade Commission Act. The petitioners assert that Section 5 of our Act is violated because the ads portray alcohol consumption, and even alcohol abuse, in an appealing manner. The petition contends that these ads lead to increased alcohol consumption and abuse.

The petition seeks a number of remedies, ranging from a ban on all alcohol advertising and promotional practices aimed at, or indeed reaching, large numbers of children, teenagers, or heavy drinkers, to requiring rotational warnings in otherwise permissible print ads or requiring the dissemination of broadcast public service announcements designed to discourage inappropriate drinking habits.

Without prejudging the merits of the petition before us, I wish to comment briefly on the legal and evidentiary framework that we must use in considering this matter.

In order for the FTC to intervene, whether by prohibiting claims or requiring disclosures, we must find that the advertisements in question are deceptive or unfair. (See Section 5(a) of the FTC Act.) Furthermore, according to precedent, the Commission will only consider taking issue with objective product claims -- those which, at least theoretically, could be factually verified. Subjective claims are not candidates for FTC intervention. For example, claims about product taste (which varies according to the individual), or advertisements that merely create moods or images are not susceptible to FTC law enforcement initiatives.

Under Commission policy, deception occurs if there is a material misrepresentation, omission, or practice that is likely to mislead consumers interpreting the ad in a reasonable manner.[3] An ad which claimed that consuming "Brand X" improved one's driving skills, for example, undoubtedly would be found deceptive.

---

[3] See, for example, Thompson Medical Company, FTC Docket No. 9149 (November 23, 1984), pp. 4-5; see also Letter from the Federal Trade Commission to the Honorable John D. Dingell, Chairman of the Committee on Energy and Commerce of the United States House of Representatives (October 14, 1983), p. 4.

Unfairness is a broader concept that we use to reach practices that do not necessarily involve misleading representations, but nevertheless produce unavoidable substantial injury to consumers.[4] For example, an ad that urged consumers to drink and drive undoubtedly would be found legally unfair, because of the enormous costs entailed. Notably, the Commission lacks authority to issue industry-wide rules covering advertising based on unfairness; instead, our unfairness authority is limited to a case-by-case approach if we were to use the unfairness theory. Thus, the Commission cannot use its unfairness jurisdiction to examine on an industry-wide basis many of the issues raised by the petition. And, an industry-wide rulemaking based on a deception theory would seem inappropriate, given an historical lack of evidence of any widespread deception in the area. (The fact that an industry-wide rulemaking does not appear to be a viable option, of course, does not eliminate the possiblity the Commission will bring lawsuits in individual cases where advertisements appear to be deceptive or unfair.)

Permit me now to describe in more detail how the Commission must consider alcohol advertising within the legal framework just described.

Few disagree with the common observation that express objective claims made in alcohol advertising are few and far between. Most alcohol advertising appears as carefully packaged image promotion directed at brand recall in association with certain images of taste and style. The alcoholic beverage industry argues this is all there is to their advertising and that such messages only provide useful competitive information concerning the availability of the many different brands of alcoholic beverages lawfully sold in the marketplace. Although they concede that their advertising has significant effects on the sales of individual brands and may influence shifts in consumption among categories of alcoholic beverages, they assert that advertising has no effect on overall alcohol consumption, much less alcohol abuse.

Critics of alcohol advertising say there is much more to it: by linking alcohol to sports, risky activities, wealth, prestige, social approval, sex, relaxation, or a leisurely, fun-filled life, these ads misleadingly imply that alcoholic beverage consumption, and even abuse, is part and parcel of a successful, stimulating life.

Which view of alcohol advertising is correct? Or, to some extent, are both correct? I just don't know. But what I do know is that by law the Commission must rest any law enforcement action in this matter on reliable evidence that the advertising at issue is deceptive or unfair. Further, I think it important for everyone to consider the possibility that a total or partial ban on alcohol advertising might do little to lessen the problem of alcohol abuse. The FTC staff is now examining in considerable detail the information available on these issues, but to date there would appear to be little evidence demonstrating either a significant incidence of law violations or that an advertising-related remedy would likely be effective in reducing alcohol abuse. In this regard, I would note that the petitioners themselves appear to agree there is little reliable evidence on how consumers respond to alcohol advertising -- or whether advertising-related remedies would be effective.

---

[4] See Commission Statement of Policy on the Scope of the Consumer Unfairness Jurisdiction, Commission letter to Senators Danforth and Ford (December 17, 1980).

We are not, of course, the only federal agency concerned with the effects of alcohol advertising.

Under the Federal Alcohol Administration Act of 1935 (FAA Act; 27 U.S.C. §§201 et seq.) the Bureau of Alcohol, Tobacco and Firearms (BATF) has concurrent jurisdiction over alcohol advertising.[5] In 1978, BATF issued an Advance Notice of Proposed Rulemaking seeking comments on revising its advertising regulations. The scope of the Advance Notice was comprehensive and encompasses many of the issues raised in the petition now before the FTC. In response to the 1978 Advance Notice, BATF received almost 5,000 comments and 140 citizen petitions. Yet, the record contained almost no empirical evidence to assist BATF in its inquiry.

BATF currently plans to reconsider many of the issues first raised by the 1978 Advance Notice -- including the impact and appropriateness of alcohol advertising content and techniques in forthcoming rulemakings. One such rulemaking will consider whether to ban the use of athletes, other celebrities, and even athletic events in advertising. Another rulemaking will consider whether to incorporate industry advertising codes (Wine Institute, U.S. Brewers Association, and Distilled Spirits Council of the United States) into BATF's regulations. The FTC will cooperate fully with BATF in these proceedings and provide every possible assistance.

Currently, there is a useful dialogue between the staffs of our two agencies, one that assists both in carrying out our responsibilities in this important area. We at the FTC also have maintained contacts with the National Institute on Alcohol Abuse and Alcoholism (NIAAA), the Department of Justice, and other agencies regarding efforts in this area.

---

[5] BATF may proceed administratively against advertising by distillers and vintners, but must use a more cumber-some procedure before federal district courts in order to take action against false advertising by brewers.

Although recently much attention has been given to the government's role in regulating alcohol advertising, there is another way in which government can and, to a degree, does impact on information concerning alcohol in society.

Since the early 1970s, public education programs using mass communications have been considered an important part of national efforts to reduce or prevent problems associated with alcohol. Such campaigns have been undertaken by Federal agencies -- primarily NIAAA, the Departments of Transportation and Treasury, and state and local governments, as well as voluntary and industry groups operating at both the national and regional levels:

- From early 1972 to 1975, NIAAA conducted a media campaign around the themes of responsible drinking and awareness of the symptoms, consequences, and treatability of alcoholism.

- In 1980, NIAAA joined with BATF to educate the public -- and, in particular, youth and women of childbearing age -- about the detrimental effects of alcohol abuse.

- The National Highway Traffic Safety Administration (NHTSA) continues its media program (begun in 1971) to the effect that those who drink excessively and then drive are responsible for a disproportionate share of highway fatalities and injuries. NHTSA has also initiated a program establishing local Alcohol Safety Action Projects (ASAPs) in communities in many States, combining public information and education components with other countermeasures such as law enforcement and driver education.

- The Food and Drug Administration has produced several articles and a slide show for distribution and has featured fetal alcohol syndrome (FAS) in an issue of its drug bulletin.

- Many states have initiated FAS campaigns using their own materials or materials provided by the License Beverage Information Council, the National Council on Alcoholism, and other private organizations; and

- The Department of Defense has developed a number of informational and educational campaigns designed to combat alcohol abuse on military bases.

Of the voluntary agencies, the National Safety Council (NSC) has the longest history of involvement in alcohol-related public education, beginning its "If you drink, don't drive; if you drive, don't drink" campaign shortly after World War II.

The liquor industries in both the United States and Canada have been active in public education campaigns that stress moderate and responsible use of alcohol. Besides the activities of the three major trade associations and the License Beverage Information Council, individual producers have sponsored their own campaigns.

The broadcasting industry is also involved. The National Association of Broadcasters (NAB) has promoted an industry-wide campaign to encourage its members and associates to disseminate information about alcohol abuse and highway safety. And several state broadcast associations are currently developing and disseminating public service announcements.

These efforts, however, appear to be fragmented and uncoordinated. In fact, it is striking that no single agency or office at the federal level knows who in government or industry is disseminating what information, where, and to whom. Moreover, no inventory of information regarding the relative effectiveness of specific information campaigns is known to exist. Nor is there any single organization mandated to research and reach conclusions about the most effective means of communicating with different audiences.

This suggests consideration of an interagency committee to aid in combatting alcohol abuse through more effective use of resources devoted to education. Such a committee might have four general responsibilities:

- First, it would collect data on information campaigns sponsored by government, industry, and voluntary organizations.
- Second, it would evaluate the effectiveness of the campaigns it has inventoried;
- Third, it would make specific recommendations about the types of communications campaigns that should be undertaken; and
- Fourth, it would endeavor to ensure such campaigns were carried out.

Precedent exists for this approach in the Cigarette Safety Act of 1984, which established both an interagency committee and a technical study group.[6] If Congress were to establish an interagency committee on alcohol programs, the FTC would be happy to contribute to the effort by lending its expertise in the disciplines of economic analysis, marketing, consumer behavior, and information processing.

Let me hasten to add, this idea is only one of a number of possibilities for improving the effectiveness of public efforts to reduce alcohol abuse. Greater and more certain penalties for those who impose alcohol-related costs on others are equally important, if not more so.

In conclusion, Madam Chairman, I very much appreciate the opportunity to appear before this Subcommittee and commend you and your colleagues for holding this Hearing. Let me assure you that the Commission will continue to monitor closely alcohol advertisements for deceptive claims and unfairness, and continue to examine how else we can best apply our expertise and experience to the important issues considered at this Hearing.

---

[6] The mandate of the group is to undertake studies and other activities it considers appropriate to determine the technical and commercial feasibility, economic impact, and other consequences of developing cigarettes and little cigars that will have a minimum propensity to ignite upholstered furniture. The committee is required to report its analysis and policy recommendations to Congress within 32 months of enactment.

Senator HAWKINS. Thank you very much, Mr. Chairman.

Senator Thurmond has joined us, a very able member of this committee, very interested in this subject, being the father of four children under 14, and also he is chairman of the Judiciary Committee, as you know.

We welcome you, Senator Thurmond. Do you have a statement?

Senator THURMOND. No. Thank you very much. I just came to listen. Anything we can do to reduce the consumption of alcohol by young people and old, though, I will certainly favor it.

Senator HAWKINS. Mr. Chairman, I understand that at the beginning of 1978, the FTC participated in a 3-year interagency project to study the effects of alcohol beverage advertising.

Were the findings of this project sufficient to provide you a basis for appropriate action, other than the recommendations you gave us?

Mr. MILLER. No; they were not. It was a very useful study; it broke some new ground. I think the authors indicated very clearly that the information they gathered was not collected from a random sample of consumers. Extrapolating this evidence to the general population would be inappropriate.

Second, because of methodological problems with some of the data in the modeling, it would be unwise to conclude and draw inferences about cause and effect. Does alcohol advertising cause more alcohol consumption, or do many companies follow, rule-of-thumb policies that simply apportion a certain portion of revenues to advertising? Distinguishing which one causes the other many times is difficult.

Senator HAWKINS. Mr. Chairman, why can you not use your unfairness authority to promulgate a rule dealing with this problem?

Mr. MILLER. In the late 1970's, as you may recall, the Federal Trade Commission began a rulemaking proceeding, under an unfairness theory, with respect to children's advertising. Congress took away the Commission's authority in 1980, and each year has renewed that prohibition against the Commission's using its unfairness authority to engage in a rulemaking in the advertising area.

Senator HAWKINS. I see. Thank you very much for participating here today. We know you are a very busy man.

Do you have any questions?

Senator THURMOND. Madam Chairman, I have a letter here from the South Carolina Commission on Alcohol and Drug Abuse that I would like to read for the record:

Dear SENATOR THURMOND: Since you serve as a member of the Subcommittee on Alcoholism and Drug Abuse of the Labor and Human Resources Committee and that Committee will be holding hearings on February 7th regarding the subject of advertising of alcoholic beverages—specifically, beer and wine—on the electronic media, I wanted to let you know the position formally taken by the South Carolina Commission on Alcohol and Drug Abuse.

The South Carolina Commission on Alcohol and Drug Abuse has been concerned for a number of years about the frequency and content of beer of wine advertising in the broadcast media, particularly beer advertisements.

We began giving serious attention to this issue in October 1982 when we sponsored a national conference on this and other control issues in Charleston. One result of that conference was a desire on our part to find out what the people of the State thought of the removal of beer and wine commercials from television. We therefore took part in the annual Metromark poll of South Carolina citizens in February 1983, asking the question, "Do you favor or oppose the removal of all beer and wine commercials from television?" The results were startling: 53.1 percent of the respondents favored the removal, 37 percent opposed, 9.9 percent did not know.

"Recognizing its responsibility to this majority of the citizens and its responsibility to do whatever is necessary and appropriate to curb the abuse of alcohol, the Commission went on record on September 25, 1983, as supporting the National Council on Alcoholism's position statement regarding voluntary elimination of misleading television and radio advertising and joining the coalition to implement the elimination.

"On June 17, 1984, the Commission voted to support the petition drive of the Center for Science in the Public Interest to ban all beer and wine advertising or require equal time for health messages.

"The South Carolina Commission on Alcohol and Drug Abuse is therefore firmly on record as supporting major changes in the broadcast advertising of beer and wine. As the single State authority for alcohol abuse in South Carolina, we would appreciate our views being considered by you as this issue is debated in Congress. We would also appreciate the opportunity to express these views at the hearing being scheduled for February 7, 1985.

This letter was not called to my attention earlier or I would have asked that a witness be heard from that Commission. Are you planning other hearings on this subject?

Senator HAWKINS. I am sure there will be more hearings on this subject.

Senator THURMOND. Would you mind having a member from South Carolina appear?

Senator HAWKINS. I would he thrilled to have a member from South Carolina appear. [Laughter.]

Senator THURMOND. Thank you.

Senator HAWKINS. Senator Eagleton, do you have any questions?

Senator EAGLETON. Yes, I have a couple, Madam Chairman. Thank you.

Mr. Chairman, on page 5 of your prepared statement, the top paragraph says:

> Further, I think it important for everyone to consider the possibility that a total or partial ban on alcohol advertising might do little to lessen the problem of alcohol abuse. The FTC staff is now examining in considerable detail the information available on these issues, but to date there would appear to be little evidence demonstrating either significant incidence of law violations or that an advertising-related remedy would likely be effective in reducing alcohol abuse.

First of all, when will your FTC staff study with respect to these matters be concluded and available to us?

Mr. MILLER. The staff study should be available within the month.

Senator EAGLETON. Madam Chairman, I would suggest that when it is available it be made part of this record.

Senator HAWKINS. So ordered.

Senator EAGLETON. Could you expand on this statement that I have just read? What available evidence is there that would show a causal linkage between the depth or intensity of advertising and the amount of consumption?

Mr. MILLER. Senator, we have reviewed dozens of studies, studies using different methodologies, such as statistical regression, analysis and samples of public opinion. It is maddening that the results are some what contradictory and conflicting, even to the point you can almost toss a coin as to what the next study will conclude.

By and large, however, the studies emphasize that, on the basis of commonly, generally accepted statistical tests, they do not reach strong conclusions about the effects of advertising on even alcohol consumption, much less alcohol abuse.

The lack of strong guidence in this area is the reason I think it is important to direct attention toward the abusers of alcohol and to the victims of alcohol abuse. Our current knowledge suggests this approach would be more effective than trying to ban, for example, alcohol advertising on television.

I should stress that probably everyone in this room knows of or has themselves been a victim of alcohol abuse or alcoholism, and that it is a terribly important concern for all of us. I think we need to take extremely seriously this problem and do what we can to alleviate those terrible costs imposed by alcohol abuse.

That is so why it is important that we find the most effective remedies possible.

Senator **Eagleton**. Were the studies that you were referring to studies related to the advertising and the consumption of alcohol, or were they studies more broadly gauged, talking about advertising of products and the consumption of products in the generic sense?

Mr. **Miller**. These were studies of both kinds. Dr Wendy Gramm has supervised preparation of an annotated review of these studies which we would be glad to provide for the Subcommittee.

But you are correct; some of these studies were about advertising generally, but others included specific analyses of the relationship between alcohol advertising and alcohol consumption. Some also looked at the relationship between advertising and cigarette consumption.

Senator **Eagleton**. Well, would you provide us the studies, if there is some way to help us through this, and provide us with abstracts of the studies?

Mr. **Miller**. Yes, we will be glad to do that.

Senator **Eagleton**. We would love to have that; at least I would.

Mr. **Miller**. Yes, sir.

Senator **Hawkins**. That will be made part of the record when it, is available, Senator.

Senator **Eagleton**. Under your existing authority, as you have stated, you do have power to proceed with respect to unfair trade practices, which would be broad enough to include, would it not, unfair marketing practices?

Mr. **Miller**. Yes, sir.

Senator **Eagleton**. I will put into the record an article, if I may, Madam Chairman, from the Wall Street Journal of January 1, 1985, "Controversy is Rising Over Beer Promotions on College Campuses."

I ask unanimous consent that that be printed in the record at this point.

Senator **Hawkins**. Without objection.

[The information referred to above follows:]

Brewing Issue

Controversy Is Rising Over Beer Promotions On College Campuses

Brewers Back Pub Giveaways, Rock Concerts, Athletics; Is Abuse Promoted Too?

Turning the Gym Into a Bar

By Johnnie L. Roberts
Staff Reporter of The Wall Street Journal

BOSTON — Boston College. "Welcome to Miller Time!"

It is a special night at the campus pub. The waitresses wear Miller beer T-shirts. A Miller banner hangs on a wall. Miller posters are handed out. Miller beer, at 35 cents a mug, flows from the 30 kegs on tap.

Joseph N. Marrocco, a Boston College senior and Miller's campus representative, eyes the throng of about 700 students. Although Budweiser, Stroh's and other beers will have their own promotions later in the year, it was a heady feat for Miller to be first in line. "Miller will be in their heads the next time they go out to buy beer," the 21-year-old Mr. Marrocco says of his fellow students.

Promotional nights are only part of a [illegible] $20 million marketing effort that brewers and beer distributors yearly pour into the $3 billion campus-consumer market. Philip Morris Inc.'s Miller Brewing Co. unit and Anheuser-Busch Inc. sponsor rock concerts. Adolph Coors Co. organizes turtle races on as many as 50 campuses. Brewers support intramural sports, intercollegiate athletics, student philanthropic activities and ski clubs. They place more than $2 million of campus newspaper advertisements.

'Part of Mainstream'

"We are part of the mainstream of activities," says Michael Roarty, Anheuser-Busch's executive vice president and marketing director.

But controversy is brewing over pitching beer to college students. College officials complain that some promotions—including wet T-shirt contests featuring braless women and chug-a-lug drinking contests—are in poor taste. Moreover, as many as 90% of students drink, making alcohol the most pervasive problem on many campuses.

The catalyst for the concern about beer promotions, though, is the recent national law requiring states to raise the drinking age to 21 by 1986 to avoid losing federal highway funds. The higher age, which 33 states either already enforce or will enforce soon, in effect outlaws drinking by many of the nation's 12.5 million undergraduate and graduate students.

Generally, however, campus beer promotions continue, even in states that have raised the drinking age. The campus is a crucial battleground for brands trying to capture lifetime fans. "Brand preferences for beer and other consumer products are developed from age 18 to 24," says David Lewenz, G. Heileman Brewing Co.'s manager of young-adult marketing. Winning market shares is all the more crucial now, because sales are declining in the $12 billion beer industry.

A Right to Advertise?

Because as many as 60% of college students legally may drink, says Mr. Roarty of Anheuser-Busch, "we think we have a right to advertise to those people." Heileman's Mr. Lewenz adds, "What we say is that when you come of legal age, we hope that you purchase our product."

Most universities allow the promotions, citing traditions of openness and a responsibility to help students deal with alcohol. But colleges clearly have a problem.

"In a free enterprise system, people are free to promote and advertise products that aren't outright harmful," says Stephen Nelson, Dartmouth College's director of student activities. Yet, he wonders, with students at an age when heaviest drinking occurs, "are we heightening that vulnerability?"

Heavy drinking has long been implicated in vandalism, bad grades and occasional student deaths. Of 1,261 students responding to a survey last spring, more than half were heavy beer drinkers, consuming five or more beers a week, says Cass Communications Inc., an advertising representative for college newspapers.

Effect on Students

John McKillip, a psychology professor at Southern Illinois University says his research shows that a fifth of the university's 20,000 students test poorly or skip class at least once a month because of heavy drinking. Colleges that allow or participate in beer promotions, he says, are "like hospitals running ads for cigarettes in their in-house publications."

Then, too, colleges worry about the liability they may face when drinking students harm themselves or others. Delaware Valley College of Science and Agriculture recently was cleared of liability in a case that resulted from a highway accident involving a student who had been drinking at a sophomore-class picnic. But such cases are causing concern among college administrators, according to the National Association of College and University Attorneys.

"Practically every university is encountering alcohol abuse," says the Rev. Edward J. Hanrahan, the dean of students at Boston College, a Jesuit institution with 12,500 students. "We are looking to see if the promotions are contributing to abuse."

Some colleges already have concluded that they are. The University of South Carolina is banning beer ads in the student

Please Turn to Page 18, Column 1

Brewing Issue: Beer Promotions in College Pubs And at Concerts and Athletic Events Spark Debate

Continued From First Page

newspaper, and the University of Massachusetts at Amherst is rejecting distributors' offers to co-sponsor concerts. "We recommend that all beer advertising be taken out of student newspapers and sporting events," says William J. McCord, the director of South Carolina's Commission on Alcohol and Drug Abuse.

Colleges also are drafting rules for beer promotions. The Inter-Association Task Force on Alcohol Issues, made up of several national associations involved in student affairs, in 1983 called on brewers to rid their promotions of sexism, stop emphasizing heavy drinking and to support campus alcohol education programs.

Anheuser-Busch, Heileman, Coors and Stroh Brewery Co. drafted their own guidelines for their distributors, patterned after the task force's. Alan Easton, Miller's vice president of corporate affairs, says the company leans on its distributors to stick to the guidelines, but he concedes that policing is difficult, especially in bars near campuses. "The promotions we tell them they shouldn't be doing are exactly the things they feel are necessary to attract the young crowd," he says.

Brewers increasingly also are helping finance so-called responsible-drinking programs on campuses. Anheuser-Busch recently opened an informational campaign called "Know When to Say When" that stresses moderation. Since 1976, Miller has contributed $300,000 to an alcohol-abuse program with chapters on 180 campuses.

But that is a small fraction of what the industry spends to promote beer, so critics charge that brewers merely are trying to head off tougher regulation. Indeed, in a bulletin to its 750 Miller distributors last March, Leonard J. Goldstein, the sales vice president, cautioned that obeying campus marketing guidelines "is critical to preserving our ability to conduct business in the important college market."

Brewers have promoted on campus for decades, of course. Anheuser-Busch's Mr. Roarty began his career with the brewer as a University of Detroit campus representative in 1964. But promotional efforts became more aggressive in the early 1970s, when the states began to lower the drinking age and brewers generally adopted advanced marketing techniques. "It was about that time the companies started to support intramurals, campus unions, dances and parties," recalls Gary North, the University of Illinois vice chancellor of student affairs.

Now, for example, Moosehead beer, which is imported from Canada by All Brand Importers Inc., provides Boston University's 500-member ski club with Moosehead merchandise and beer at cost, says James Harrington, the club's vice president. The distributor also offers the club use of a Moose costume. "If we have a club meeting, we can have someone standing around in the costume," Mr. Harrington says.

The industry provides a promotional blitz for spring break, too. Together with tourism officials in Florida and other spring-break destinations, brewers offer promotional trips and beach concerts. Miller runs recycling campaigns on Fort Lauderdale Beach, trading Miller merchandise and free calls home for empties and rubbish. Anheuser-Busch grabs students' attention along routes to spring-break destinations with coffee-break stops. "Students can pull in, enjoy a cup of coffee and a doughnut and call home," says Mr. Roarty. "No alcoholic beverages are served."

At scores of campuses, brewers help promote athletics. Compliments of Anheuser-Busch, Boston College gave out 1,000 pompons and 5,000 bandannas—with the Bud logo and the college's eagle mascot—at two football games last year.

Sara Groden, the college's director of sports promotions, says she also negotiated about $15,000 of promotions from Anheuser-Busch to support sports that lack the high profile of basketball and football. The brewer "will give away things that we can't afford" and help attract crowds, Miss Groden says. Also, "the coaches will send those things out to recruits," which "makes the sport look real important," she says.

Campus representatives are the brewers' direct link to campus activities, and Miller employs 120 of them. Heileman and Anheuser-Busch employ even more. Boston College's Mr. Marrocco is one of 14 students who promote Miller at major Boston-area colleges, including Harvard, Tufts, Boston University and Northeastern. For $50 a week, Mr. Marrocco peddles Miller brands to fraternities, dormitories and student-activities directors and also monitors the competition.

Mr. Marrocco has helped Miller book two promotional nights at the campus pub, where manager Michael O'Brien allows one such promotional night a week. They "keep giving us promotional stuff" like painters' caps and T-shirts that draw students to the pub, he says. (The giveaways are tax-deductible for brewers.)

Not all brewers' promotions are welcome. Boston College's student government, which runs student activities on a budget of $275,000, is torn over whether to accept Miller's co-sponsorship of a campus concert. Some members "see it as student government promoting alcohol," says Jeffrey Thielman, the president. But a large concert costs about $20,000, so having a co-sponsor is appealing, he says.

Still, administrators don't like the idea. "I'm concerned about institutionalizing alcohol," says Carole Wegman, the college's director of student programs and resources and she opposes Miller's support.

Similarly, at Southern Illinois University, Anheuser-Busch's $40,000 "Busch Shootout" basketball tournament caused considerable opposition last school year. The many Anheuser-Busch posters and other merchandise made the basketball arena look like a bar, says Mr. McKillip, the psychology professor who opposes beer promotions. "Universities are in a bind because they have athletic programs beyond their budgets," he says. "So they are willing to take any money they can." But the opposition has caused Busch to pull out of the shootout promotion this year.

Miller's promotion of a rock concert on the campus also caused a furor, especially a 30-foot-tall inflated replica of a beer bottle that hovered above the campus. "That was simply more than we felt we could engage in," says Bruce Swinburn, the college's vice president of student affairs. But Miller does still support some student activities, he says.

Beer advertising in student newspapers also draws criticism. At the University of Minnesota, the Minnesota Daily "accepts a lot of ads from bars that literally say skip your class and come and drink," says James Rothenberger, a public-health professor.

His file of ads that he finds offensive includes one for Grandma's Saloon & Deli that shows a man and woman amid bacchanalian revelry. Its message: "Because some nights you don't feel like studying. Or is it most nights?" A large Miller ad shows a student dashing from his dorm-room desk as a radio blares, "Repeating . . . due to a computer foul-up, finals week will be postponed." In the foreground are a bottle and a mug of Miller and the familiar "Welcome to Miller Time" slogan.

Miller's Mr. Easton says the brewer pulled the ad after it ran in several college newspapers. "It got out there, and it probably shouldn't have," he says. But he defends an ad for Miller's Lowenbrau brand that Mr. Rothenberger of Minnesota also found disturbing. The ad shows two roommates helping a third student study, with an inset of the trio and two women drinking at a bar afterward. Mr. Easton concedes, "There's a very thin line between doing appealing, impactful ads and intruding on the purpose of student life."

In some promotions, however, the line isn't all that thin. Miller once offered to have its six-member sky-diving team, called the Six Pack, bail out of a plane, land at a Boston College football game wearing uniforms with the Miller logo, and deliver the game ball to the referee. Not to be outdone, Anheuser-Busch proposed throwing can openers with the Bud logo into the stands.

Boston College declined both offers.

Beer and Wine Industry Girds for Battle As Campaign to Ban Ads Gathers Steam

By Robert Friedman

Staff Reporter of The Wall Street Journal

The beery television testimonials of former athletes Marv Throneberry, John Madden and Billy Martin notwithstanding, this year may not be Miller time.

If a coalition fighting alcohol abuse has its way, the famed drinking buddies' carefully scripted banter will never again reach American television screens. Nor will dozens of other beer and wine commercials – about $750 million of advertising a year – that have become an integral part of the electronic landscape.

Remote as the prospect of a ban is thought to be, the coalition has mounted a strong offensive that is being taken seriously by the alcoholic-beverage industry. The coalition, spearheaded by the Washington-based Center for Science in the Public Interest, includes such organizations as the 5.5 million-member National Parent-Teacher Association, the United Methodist Church and the National Council on Alcoholism.

The coalition has asked the Federal Trade Commission to investigate the industry's advertising practices. Under the banner of Project Smart (Stop Marketing Alcohol on Radio and Television), the coalition says it has gathered 600,000 signatures from people demanding that Congress either ban such advertising on the airwaves or allow equal time for countermessages on the dangers of alcohol.

Senate to Hold Hearings

Official Washington has seized on the issue. The Senate will hold hearings early next month to examine whether drinking is treated glamorously on TV. The Treasury Department's Bureau of Alcohol, Tobacco and Firearms is about to propose new regulations on the appearance of athletes in beer and wine commercials.

Even the White House has warned brewers and vintners to stop messages that appeal to underage drinkers. Carlton Turner, special assistant to the President on drug abuse policy, says, "If the industry doesn't clean up its approach, it will have a legislative solution crammed down its throat."

Though most people involved in the issue believe an outright ban on beer and wine commercials is unlikely, it wouldn't be unprecedented. Cigarette commercials were forced off the air 15 years ago, and Shaun Sheehan, a spokesman for the National Association of Broadcasters says, "the scar tissue is still thick." This time, says the organization's president, Edward Fritts, fighting a ban is "our number one priority."

Determined to head off government regulation, nervous broadcasters and beverage industry officials have begun their own sort of temperance campaign. Besides tightening standards for beer and wine commercials, the networks are running more public-service announcements about the hazards of driving drunk and are reducing gratuitous alcohol consumption on prime-time programs. Beverage manufacturers and wholesalers are revamping marketing strategies while feverishly lobbying in Washington. "We've been quiet too long," says Joe Huggins, a Houston distributor and chairman of the National Beer Wholesalers Association, which recently earmarked $500,000 for a broad lobbying effort that includes fighting a ban.

NBC has strengthened its standards for beer and wine commercials, while CBS and ABC say they are more stringently applying existing standards. NBC, for example, recently rejected a wine commercial that featured break dancing and a Michael Jackson lookalike because of its blatant appeal to youth. "There's a heightened awareness around here with respect to younger audiences," says Richard Gitter, NBC's vice president of broadcast standards.

Last year Adolph Coors Co. pulled an ad for its light beer that contained the refrain, "beer after beer." Ben Mason, Coors's director of alcohol issues, says the Colorado brewer recognized that the message "could be interpreted as encouraging excessive use."

Similarly, the U.S. Brewers Association has revised its voluntary ad code, cautioning members not to include scenes of inebriation or to denigrate academic study in advertisements. And the Wine Institute, a trade association representing 400 California growers, bars the use of athletes and other youth heroes from wine ads.

The cleanup campaign leaves industry critics unimpressed. "Every ad for alcohol is an ad for drinking," says Michael Jacobson, executive director of Center for Science in the Public Interest. "We are concerned with the most innocuous ads, and we won't stop until something permanent is obtained."

Some of Mr. Jacobson's adversaries call him a "Neo-Prohibitionist," a modern-day Carry Nation who wants to put the alcoholic-beverage industry out of business. But Mr. Jacobson, a 41-year-old former microbiologist who enjoys a beer now and then, says he turned activist after learning the public-health hazards of alcohol abuse. Government statistics show that over 25,000 traffic deaths a year and half of all homicides are alcohol-related.

"No one is seeking to reinstate Prohibition," says George Hacker, the center's director for alcohol policies. "We are talking about reevaluating the role of alcohol in society."

There is little scientific evidence directly linking advertising of alcoholic beverages with increased consumption. One scholar who recently reviewed research in the field wrote that it contained "a stunning array of conflicting conclusions." But Mr. Jacobson and other critics believe the industry wouldn't spend so much on advertising if it weren't bringing in new customers.

Consumption Has Risen

Increased spending on beer and wine advertising over the past decade has coincided with a significant rise in consumption. Between 1975 and 1983, brewers' broadcast outlays increased nearly fivefold to $599.1 million, while per capita beer consumption in terms of volume rose about 14%. Wine consumption rose 35% during that period, as broadcast advertising expenditures tripled. Meanwhile, consumption of hard liquor—which distillers voluntarily refrain from advertising on TV or radio—has declined.

Industry officials insist they advertise mainly to enhance market share, not to convert new drinkers or encourage greater consumption. They point out that beer and wine sales have been flat over the past two or three years, despite significant increases in advertising budgets.

"The idea of an ad ban is a hoax on the American public," says a Miller Brewing Co. spokesman. "There's simply no connection between advertising and abusive consumption."

For Ryne Duren, a former New York Yankee hurler who now does an occasional pitch for Project Smart, the issue is more emotional. Mr. Duren, a recovered alcoholic, believes the use of retired athletes in beer commercials is irresponsible. "There's nothing more powerful than watching Dad's heroes," he says. One ad he finds particularly offensive is the Miller Lite spot featuring Billy Martin, who has admitted having a drinking problem.

Tom Landry, the Dallas Cowboys' coach, is equally opposed to beer ads. But he concedes the difficulty of tackling the beer industry head-on. "It carries much of pro football," he says. Nearly 20% of television sports advertising revenues, and 4% of all TV ad revenues, come from beer and wine commercials.

The First Amendment poses another obstacle. The ban on broadcast advertising of cigarettes was upheld by the courts in 1971. But since a 1975 Supreme Court decision struck down a Virginia ban on abortion advertising, so-called commercial speech has increasingly come under the umbrella of the First Amendment.

The court has spelled out a four-part test to determine whether advertising restrictions are constitutional. But last term, the justices ducked the issue of whether two state bans on alcoholic-beverage advertising met their test.

Constitutional issues aside, the heated battle is already leaving its imprint on television. Alcoholism has become a frequent theme on such prime-time programs as "Hill Street Blues," "Cheers," and "St. Elsewhere." And drinking on programs such as "Dallas," "Matt Houston," and "Magnum P.I." has moderated.

"I like the attitude I see in the media today," says Kenneth Eaton, an expert in alcohol abuse who helped NBC revise its broadcast standards last summer. But he adds, "It's unfortunate it had to come from fright."

Senator **Eagleton**. In the body of this article, it says, promotional nights—it refers to these nights the different breweries have. There is Miller Night and there is Budweiser Night; there is Stroh Night. And they have banners on the walls; about 700 students show up. They give away all kinds of things.

And the breweries, according to the Wall Street Journal, spend $15 million to $20 million marketing such nights, intramural sports, ski clubs, and the like. You would not need additional legislative authority to proceed on that as an unfair marketing practice, if, in fact, you thought it were one, would you?

Mr. **Miller**. That is a difficult question. One might interpret the language imposed in the 1980 improvements Act as banning our looking at this practice because it is too close to advertising, or it may be classified as advertising rather than a marketing practice.

There might be a technical loophole if you could define some of these practices as marketing practices, not advertising practices. Then we would not be prohibited from looking at these practices under the 1980 Improvements Act language. We are looking at that possibility, we are not anywhere close to launching such a rulemaking.

Senator **Eagleton**. How long have you been looking at it?

Mr. **Miller**. At least since we received the CSPI petition.

Senator **Eagleton**. And when was the petition received? Refresh me.

Mr. **Miller**. About 1 year ago.

Senator **Hawkins**. A year-and-a-half.

Senator **Eagleton**. Well, when might we expect that the looking phase would be over?

Mr. **Miller**. Pardon?

Senator **Eagleton**. When might we expect that the looking phase would be concluded and the decision phase would commence?

Mr. **Miller**. Well, as I indicated, I think the staff report will be up within the month. We anticipate the Commission——

Senator **Eagleton**. It is encompassed in the same staff report to which we made previous reference?

Mr. **Miller**. Yes.

Senator **Eagleton**. OK.

Mr. **Miller**. Let me indicate to you, Senator, at least on the basis of information I have available, I do not think it is likely the Federal Trade Commission would launch a rulemaking proceeding under an unfairness standard for the kinds of marketing practices you have just described.

We are mostly likly, to take other action. Let me say, as the parent of three children 14 years and younger, that this sort of thing gives me some pause. We would have to know a lot more facts, it seems to me, before we would engage in a rulemaking proceeding.

According to the standards that Congress has set down for us we must find evidence that there is some prevalence of these practices—a widespread, industry-wide prevalence—before we could initiate a rulemaking.

I would hope, also, pursuant to the things I said earlier about industry's responsibility here that to the degree marketing practices might unduly influence or appeal to under-age youth the industry would clean up its act. I think that is the first step.

But we will be looking at this area.

Senator EAGLETON. Well, I think we all share in that hope. But what if they do not?

Mr. MILLER. We will look at it carefully and see if under the standards that Congress has given us, we could begin a rulemaking. But there is the threshold question of whether those practices you just described would be identified as advertising or as marketing practices.

I read the same article you referred to, and it is not clear to me that we would have authority to address these issues. Congress has decided that we do not have the authority to address commercial advertising under unfairness, and it would be difficult, I think, to address the kinds of things that you are talking about other than under an unfair advertising theory.

Senator EAGLETON. I may have missed it in your prepared remarks or in your summarization, as delivered extemporaneously, but did you address the concept of commercial free speech?

Mr. MILLER. I did not. The *Bates* decision from the Supreme Court, and its progeny raise very important issues. I plan to give a speech one of these days on the question of commercial advertising and free speech.

Senator EAGLETON. Could you give us a little preces of that now? [Laughter.]

Mr. MILLER. I do not think that the line marking the difference between personal opinion and commercial speech is always easily drawn.

When a public official gives a speech for example, is it because it may eventually redound to his or her benefit—is there not an element of self promotion?

There are many interesting issues here that I am studying, but I do not think that I will reach any conclusions that would be inconsistent with the thrust of my remarks this morning.

Senator EAGLETON. Would you agree that that is a consideration that this Committee and the Congress as a whole has to take into account if they decide to go forward with any kind of a ban or restriction on various forms of commercial advertising?

Mr. MILLER. As a legislator, you make decisions within the bounds of the Constitution. To the degree to which commercial free speech is guaranteed by the Constitution some restrictions might require a constitutional amendment. I think this issue are something very important to look at.

Senator EAGLETON. The law has changed a good bit since 1971 when we legislated the ban on cigarettes, has it not?

Mr. MILLER. It has indeed.

Senator EAGLETON. And there is that 1975 case out of Virginia that the Supreme Court ruled on, wherein the State of Virginia and other States in suit had attempted to ban advertising with respect to abortion, and the Supreme Court set aside those bans.

And we have a later case in 1980 that sets forth a four-part test with respect to commercial free speech. It is an evolving doctrine, and this and other committees of the Congress are going to have to take it into account and face up to it because it is there whether we like it or not.

Mr. MILLER. I agree.

Senator EAGLETON. Thank you.

Senator HAWKINS. Senator Thurmond?

Senator THURMOND. Mr. Miller, do you think the advertisers would continue to advertise if they were not selling more beer and wine?

Mr. MILLER. There are two parts to that issue. One is the question of whether total advertising affects total consumption, and the evidence is unclear.

On the other hand, firms would be silly to advertise if they did not feel that it increased their own sales—that is, each firm's sales. We have a lot of evidence that firms are competing over market shares. Firms advertise to increase their own market share versus their competitors', and the rough evidence I have seen suggests that market share is the major incentive to advertise.

Senator THURMOND. It would not seem to be a very sound principle to spend money unless you were getting results, would it?

Mr. MILLER. No, it would not.

Senator EAGLETON. But results would be market share.

Mr. MILLER. Right.

Senator THURMOND. Some time ago, I was told about a little boy, 5 or 6 years old, that was watching television. And you just cannot keep these children off of television; they are bound to see these ads.

Mr. MILLER. I know.

Senator THURMOND. And he saw an ad advertising beer and it was such an attractive ad that after it was over, he just pled with his parents to get him some of that beer; he just had to have it.

Now, to me, the effect of an ad like that cannot be helpful to children.

Mr. MILLER. I agree with that. But, Senator, these are very difficult issues for an unelected official to address. They really are social issues that involve trade-offs among different kinds of consumers and effects that are both beneficial and costly.

If you could identify very easily commercials that are harmful and commercials that are helpful, that would be an easy task. The problem is that commercials provide information, provide broadcasting, support magazines and newspapers, etc. Simultaneously, arguably, they create some costs—although, again, we do not have any good evidence that the total amount of advertising has an impact on total consumption, much less abuse.

I can give you the benefit of our expertise and what we have found from the research. However, these are trade-offs that must be made here among different groups of consumers and of producers—whether newspapers are more important than someone's spending Saturday evening getting drunk, for example. I do not have a pipeline from the heavens that tells me that, and it seems to me in our system of government that kind of decision is more appropriately made by elected representatives than unelected representatives.

Senator THURMOND. You know, I never have understood why they are so particular about tobacco advertising. [Laughter.]

And I am against any advertising that is detrimental, whether it is tobacco, alcohol, or what not. And when it comes to alcohol, though, they do not seem to take that position.

There is no question in your mind, and I think anybody's mind, that alcohol is a very potent thing. Just a few days ago, I read about this young person driving his car and crossing the center line and killing a mother and little children.

Statistics are very clear on the number of people that are killed from driving automobiles under the influence of alcohol. Alcohol is dangerous; we might as well face it. Drugs are dangerous.

Mr. **Miller**. Right.

Senator **Thurmond**. If we can keep drugs and alcohol away from these young people, it would be the greatest thing we could do in America.

Mr. **Miller**. Senator, I share your concern. I bleed for people who lose children. One time, one of my children was hit by an automobile—though not by a drunken driver. For 17 long minutes, I did not know whether my child was alive or dead.

I know the kind of trauma that parents go through in absorbing these tremendous losses. The question is not, it seems to me, whether you should allow drunken driving, but how best to reduce the incidence of carnage on the highways.

Senator **Thurmond**. Well, I think the American people had better think. If advertising increases the use of alcohol and endangers the lives of people, and it does in many cases—everyday you read about it—it seems to me it is a matter that deserves great concern on the part of the American people.

Senator **Eagleton**. Could I ask one followup question, Madam Chairman?

Senator **Hawkins**. Yes, Senator Eagleton.

Senator **Eagleton**. Senator Thurmond's conclusion begs the point, of course. It ignores what Chairman Miller has said is the empirical evidence on the subject matter. Let us get at it this way: Mr. Chairman, you have, I am sure, during your career on the FTC talked with major advertising firms with respect to advertising practices, procedures and policies, have you not?

Mr. **Miller**. Yes, sir.

Senator **Eagleton**. Major firms such as J. Walter Thompson, Young & Rubicon, et cetera, and is not the whole fight in the advertising marketplace for market share? Thus, a company brings out a new detergent. There will be a finite amount of detergent sold in the United States in a given year, but each general brand or general this or general that will fight like the devil to get a larger percentage of those total sales, to get a larger portion of their market share. Is that not correct?

Mr. **Miller**. Senator, it differs from industry to industry, as a general proposition, you are correct; that is, advertising is more directed toward affecting market share than total sales in the industry.

Senator **Eagleton**. That is all I have.

Senator **Hawkins**. Senators, we will hear from a witness on the last panel, Dr. Charles Atkin, who is the author of the only study that is available, and it was deemed inconclusive by the NIAAA.

But he will be one of the witnesses and we will discuss this further with him.

Thank you very much, Chairman Miller, for being with us today.

Mr. MILLER. Thank you, Madam Chairman, Senator Thurmond, and Senator Eagleton.

Senator HAWKINS. Our next panel is comprised of representatives of organizations opposed to the proposed ban on alcohol advertising. They are: John DeLuca, President of the Wine Institite; Don Shea, President of the U.S. Brewers Association; Frank Flynn, chairman of the Alcohol and Drug Abuse Committee, Florida Association of Broadcasters; Steve Lambright, vice president and group executive of Anheuser-Busch; Alan Easton, vice president of Corporate Affairs, Miller Brewing Co.; Leonard Matthews, president of the American Association of Advertising Agencies; Craig Smith, of the Freedom of Expression Foundation; and Edward Fritts, President of the National Association of Broadcasters.

I would like to ask all of you, in the interests of time, to limit, your remarks, to 5 minutes. Your full statements, regardless of the volume, may be entered in the record for us to review.

We had at least this many more that wished to testify today and we chose this as a representative sampling of those who are opposed to any ban on beer and wine advertising. We would like to hear first from Mr. DeLuca. We will go right down the line.

John DeLuca.

STATEMENT OF JOHN A. DeLUCA, PRESIDENT, WINE INSTITUTE; DONALD B. SHEA, PRESIDENT, U.S. BREWERS ASSOCIATION, INC.; FRANK FLYNN, CHAIRMAN, ALCOHOL & DRUG ABUSE COMMITTEE, FLORIDA ASSOCIATION OF BROADCASTERS; STEPHEN K. LAMBRIGHT, VICE PRESIDENT AND GROUP EXECUTIVE, ANHEUSER-BUSCH CO., INC.; ALAN G. EASTON, VICE PRESIDENT, CORPORATE AFFAIRS, MILLER BREWING CO.; LEONARD S. MATTHEWS, PRESIDENT, AMERICAN ASSOCIATION OF ADVERTISING AGENCIES; CRAIG R. SMITH, PRESIDENT, FREEDOM OF EXPRESSION FOUNDATION; AND EDWARD O. FRITTS, PRESIDENT, NATIONAL ASSOCIATION OF BROADCASTERS, A PANEL

Mr. DELUCA. Thank you, Madam Chairman. At the start, may I say that I am of Italian extraction and I was raised to speak with my hands, preferably from balconies, and this format is a little unusual for me, but in the interests of time and the clarity of thought, I have a statement that I will read that will take approximately 5 minutes.

Thank you, Madam Chairman and members of the subcommittee. On behalf of the 493 California wineries and thousands of wine growers who comprise the Wine Institute, I thank you for the invitation to share our views and experience on the subject of wine advertising and its role and impact on American society.

Our members represent over 90 percent of the wineries in our State, approximately 60 percent of all wine, foreign and American, sold in our Nation, and constitutes the largest single voice for wine in the United States.

Wine Institute represents a number of large firms, but our perspective is based on a predominantly rural agricultural membership whose vast majority are small family operations.

We welcome this opportunity to address your committee, and commend you for providing a forum for the presentation of facts not widely known or available and which would otherwise not be considered in the formulation of public advertising policy.

Your hearing provides the best vehicle to rejuvenate our recent history where wine has been the principal beneficiary of the dynamism of women and the cultural movement in America emphasizing nutrition and self-improvement and the social emphasis on beverages of less alcohol.

As president of Wine Institute, I am authorized to speak for the California wine industry and will confine my remarks to the activities and precepts of our vintners and growers. As a general principle, we oppose the advertising bans on the electronic media of the kind presently being petitioned and circulated. As the preferable alternative, we recommend self-regulation, or such regulation petitioned by the industry which, by its nature, draws inspiration and strength from private initiative and compliance.

We recognize that alcohol abuse and alcoholism are complex public health problems requiring all citizens, both private and corporate, to cooperate in finding solutions. To that end, Wine Institute has undertaken numerous voluntary programs designed to promote socially responsible behavior and patterns of moderation.

In the interest of time today, I will not discuss them in any detail, but as examples of our initiatives and the support we have received, I will submit the attached 10 documents as exhibits for the record. For the purposes of your hearing, I will concentrate exclusively on our advertising ethics and practices.

I would trust, however, that in the question period, I would have the opportunity to share some of the communications we have received, especially from organizations now part of Project SMART.

Included in our attachment are copies of our Code of Advertising, adopted in 1978 without Government intervention, prodding, or pressure. Our members have voluntarily and scrupulously adhered to its standards these last 7 years. This compliance has effectively prevented advertising of our wines that in any way appeals to under-age drinkers and high-risk consumers. California wine advertising has stressed instead that wine should be a moderate accompaniment to food, which research shows contributes to salutary drinking habits.

The code is so central to our presentation that I have reproduced its guidelines in their entirety as part of our written testimony. Again, in the interest of time, I will orally highlight only its key provisions, but to address the most oft-cited concerns, let me stress Nos. 3, 4, 5, and 6, which we have here as graphics.

You again see at the preamble this was adopted by us after submission to the Federal Trade Commission in April of 1978, 7 years before the petition to the FTC.

No. 3. Any attempt to suggest that wine directly contributes to success or achievement is unacceptable. Therefore, the following restrictions shall apply to subscribers to this code. What I am reading is more ample than what is on the graphic.

Wine shall not be presented as being essential to personal performance, social attainment, achievement, success, or wealth. The use of wine shall not be directly associated with social, physical, or personal problem-solving. Wine shall not be presented as vital to social acceptability and popularity or as the key factor in such popularity. It shall not be suggested that wine is crucial for successful entertaining.

Four: Any advertisement which has particular appeal to persons below the legal drinking age is unacceptable. I think many of these will address the concerns that were addressed by you and by Senator Eagleton and Senator Thurmond.

Show models and personalities in advertisements who appear to be under 25 years of age; use music, language, gestures, or cartoon characters specifically associated with or directed toward those below the legal drinking age; appear in children's or juveniles' magazines, newspapers, television programs, radio programs, or other media specifically oriented to persons below the legal drinking age; be presented as being related to the attainment of adulthood or associated with rites of passage to adulthood; suggest that a wine product resembles or is similar to another type of beverage or product, like milk, soda, or candy, having particular appeal to persons below the legal drinking age; use traditional heroes of the young such as those engaged in pastimes and occupations having a particular appeal to persons below the legal drinking age—for example, cowboys, race car drivers, rock stars; use amateur or professional sports celebrities past or present.

Five: code subscribers shall not show motor vehicles in any way as to suggest that they are to be operated in conjunction with wine use. Advertising should in no way suggest that wine be used in connection with driving.

And, finally, for the points I am wishing to make now, 6: Wine advertisers by Code subscribers shall not appear in or directly adjacent to television or radio programs or print media which dramatize or glamorize overconsumption or inappropriate use of alcoholic beverages.

Seven, eight, nine, the issue of not only print media, but that these should be directed to mail, point-of-sale, outdoor displays, are important, but I will again pass them on in the interest of time.

These voluntary provisions have been shown to work extremely well. For years, commercials by our members have been tasteful and responsible. Under a selfdeveloped, selfpoliced code, the California wine industry has benefited the well-being of this country by portraying wine as a beverage of moderation to be used with food in a healthy manner. We submit that our advertising does not contribute to the problems of alcoholism, excessive drinking, under-age drinking or drunk driving.

There can be no legitimate criticism of California wine advertising and no justification for banning California wine advertising from the electronic media. There are some wine ads that violate our code and we join in the criticism they have received, but they were produced by non-Wine Institute members.

In the question period, I would like to discuss how we police those rare instances in the 8 years of our codes which we caused to be dropped.

If the efforts of California vintners and growers are ignored, a great injustice will be imposed. The member of Wine Institute have been good citizens. We took action years ago to control, police, and direct positively our own advertising efforts.

The proponents of advertising bans have got to come to grips with our experience. They simply cannot dismiss it or confuse us with others, and the emphasis on signature-gathering petitions, a million petitions, should be measured against the backdrop of millions of visitors a year to our vineyards and wineries, hundreds of thousands adults taking our wine appreciation courses, and hundreds of thousands at our fund-raisers for the theater, arts, and symphony.

If the administration and Congress ignore this positive record, other industries such as the auto, salt, and sugar industries will be dissuaded from responsible self-restraint. For an example, automobiles driven recklessly are dangerous objects. Today's media advertising for automobiles often stresses high performance and sportiness. Should we therefore ban media advertising of automobiles?

How the Federal Government handles the issue before this committee will have obvious implications and, if punitive, contradictions for many other products.

In 1977 Wine Institute requested permission of the Federal Trade Commission to enter into negotiations with media organizations and vintners outside of California to extend the California Code to the remainder of the industry. The FTC withheld permission on antitrust grounds. You have that letter in the submission that I have given to you.

We subsequently proposed to the Bureau of Alcohol, Tobacco and Firearms in 1979 and 1981 that our code be made mandatory for all vintners, both American and foreign. This is now under consideration.

In our view, the most constructive act that can be taken by your committee on the subject of wine advertising is to assist us in encouraging the administration to adopt our code as a regulation for all wine advertisers. In this effort, we respectfully solicit your support.

In conclusion, Senator Hawkins and members of the committee, I want to assure through our testimony our many colleagues in the alcoholism field that we will not permit this issue to keep us from making common cause on the many fronts we mutually face.

Wine Institute owes much to their constructive counsel and still seeks their guidance and assistance. There are some who recently have come to the fore with political agendas that have polarized us, but they are exercising their constitutional rights.

Regardless of background or motivation, they all have a right to insist on certain questions and we have a responsibility to answer. In order for us in the California wine industry to be perceived as part of the solution and not part of the problem, we must do credible things.

I submit that our code and its implementation, our position on tougher law enforcement and drunk driving, our position on the 21-year minimum age for purchase and public possession, and our many initiatives as represented in our exhibits have incredible commitments to the American public.

Thank you.

[The prepared statement of Mr. DeLuca with additional material supplied follows:]

Testimony by
John A. De Luca
President, Wine Institute
to
Senate Subcommittee on
Alcoholism and Drug Abuse
February 7, 1985

Chairman Paula Hawkins and Members of the Subcommittee

In behalf of the 493 California wineries and thousands of winegrowers who comprise the Wine Institute I thank you for the invitation to share our views and experience on the subject of wine advertising and its role and impact on American society. Our members represent over 90% of the wineries in our state, approximately 60% of all wine, foreign and American, sold in our nation, and constitute the largest single voice for wine in the United States. Wine Institute represents a number of large firms, but our perspective is based on a predominantly rural agricultural membership, whose vast majority are small family operations. We welcome this opportunity to address your committee and commend you for providing a forum for the presentation of facts, not widely known or available, and which would otherwise not be considered in the formulation of public advertising policy.

As President of Wine Institute, I am authorized to speak for the California wine industry, and will confine my remarks to the activities and precepts of our vintners and growers. As a general principle we oppose advertising bans on the electronic media of the kind presently being petitioned and circulated. As the preferable alternative we recommend self-regulation, or such regulation petitioned by the industry, which by its nature draws inspiration and strength from private initiative and compliance.

We recognize that alcohol abuse and alcoholism are complex public health problems requiring all citizens, both private and corporate, to cooperate in finding solutions. To that end Wine Institute has undertaken numerous voluntary programs designed to promote socially responsible behavior and patterns of moderation. In the interest of time today I will not discuss them in any detail, but as examples of our initiatives and the support we have received, I will submit the attached ten documents as exhibits for the record. For the purposes of your hearing I will concentrate exclusively on our advertising ethics and practices.

Included in our attachment are copies of our Code of Advertising, adopted in 1978 without government intervention, prodding, or pressure. Our members have voluntarily and scrupulously adhered to its standards these last seven years. This compliance has effectively prevented advertising of our wines that in any way appeals to underaged drinkers and high-risk consumers. California wine advertising has stressed instead that wine should be a moderate accompaniment to food, which research shows contributes to salutary drinking habits.

The Code is so central to our presentation that I have reproduced its guidelines in their entirety as part of our written testimony. Again, in the interest of time, I will orally highlight only its key provisions.

GUIDELINES

1. A distinguishing and unique feature of wine is that it is traditionally served with meals or immediately before or following a meal.
Therefore, when subscribers to this code use wine advertising which visually depicts a scene or setting where wine is to be served, such advertising shall include foods and show that they are available and are being used or are intended to be used.

   This guideline shall not apply to the depiction of a bottle of wine, vineyard, winery, label, professional tasting, etc., where emphasis is on the product.

2. **Wine advertising should encourage the proper use of wine. Therefore, subscribers to this code shall not depict or describe in their advertising:**

   a. The consumption of wine for the effects its alcohol content may produce.

   b. **Direct or indirect reference to alcohol content or extra strength, except as otherwise required by law or regulation.**

   c. Excessive drinking or persons who appear to have lost control or to be inappropriately uninhibited.

   d. **Any suggestion that excessive drinking or loss of control is amusing or a proper subject for amusement.**

   e. Any persons engaged in activities not normally associated with the moderate use of wine and a responsible life-style.
   Association of wine use in conjunction with feats of daring or activities requiring unusual skill is specifically prohibited.

   f. Wine in quantities inappropriate to the situation or inappropriate for moderate and responsible use.

3. Advertising of wine has traditionally depicted wholesome persons enjoying their lives and illustrating the role of wine in a mature life-style.
Any attempt to suggest that wine directly contributes to success or achievement is unacceptable. Therefore, the following restrictions shall apply to subscribers to this code:

   a. Wine shall not be presented as being essential to personal performance, social attainment, achievement, success or wealth.

   b. **The use of wine shall not be directly associated with social, physical or personal problem solving.**

   c. Wine shall not be presented as vital to social acceptability and popularity or as the key factor in such popularity.

   d. **It shall not be suggested that wine is crucial for successful entertaining.**

4. Any advertisement which has particular appeal to persons below the legal drinking age is unacceptable.
Therefore, wine advertising by code subscribers shall not:

   a. **Show models and personalities in advertisements who appear to be under 25 years of age.**

   b. Use music, language, gestures or cartoon characters specifically associated with or directed toward those below the legal drinking age.

   c. **Appear in children's or juveniles' magazines, newspapers, television programs, radio programs or other media specifically oriented to persons below the legal drinking age.**

   d. Be presented as being related to the attainment of adulthood or associated with "rites of passage" to adulthood.

   e. **Suggest that a wine product resembles or is similar to another type of beverage or product (milk, soda, candy) having particular appeal to persons below the legal drinking age.**

   f. Use traditional heroes of the young such as those engaged in pastimes and occupations having a particular appeal to persons below the legal drinking age. (For example, cowboys, race car drivers, rock stars, etc.)

   g. **Use amateur or professional sports celebrities, past or present.**

5. Code subscribers shall not show motor vehicles in such a way as to suggest that they are to be operated in conjunction with wine use. Advertising should in no way suggest that wine be used in connection with driving.

6. **Wine advertising by code subscribers shall not appear in or directly adjacent to television or radio programs or print media which dramatize or glamorize overconsumption or inappropriate use of alcoholic beverages.**

7. Wine advertising by code subscribers shall make no reference to wine's medicinal values.

8. **Wine advertising by code subscribers shall not degrade the image or status of any ethnic, minority or other group.**

9. Wine advertising by code subscribers shall not exploit the human form, feature provocative or enticing poses nor be demeaning to any individual.

All advertising — including, but not limited to direct mail, point-of-sale, outdoor, displays, radio, television and print media — should adhere to both the letter and the spirit of the above code.

These voluntary provisions have been shown to work extremely well. For years commercials by our members have been tasteful and responsible. Under a self-developed, self-policed code the California wine industry has benefited the well being of this country by portraying wine as a beverage of moderation to be used with food in a healthy manner. We submit that our advertising does not contribute to the problems of alcoholism, excessive drinking, under-age drinking, or drunk-driving.

There can be no legitimate criticism of California wine advertising; and no justification for banning California wine advertising from the electronic media.

If the efforts of California vintners and growers are ignored a great injustice will be imposed. The members of Wine Institute have been good citizens. We took action years ago to control, police and direct positively our own advertising efforts. If the Administration and Congress ignore this positive record, other industries, such as the auto, salt and sugar industries, will be dissuaded from responsible self-restraint. For an example, automobiles driven recklessly are dangerous objects. Today's media advertising for automobiles often stresses high performance and sportiness. Should we, therefore, ban media advertising of automobiles?

In 1977 Wine Institute requested permission of the Federal Trade Commission to enter into negotiations with media organizations, and vintners outside of California, to extend the California Code to the remainder of the industry. The FTC withheld permission, on anti-trust grounds. We subsequently proposed to the Bureau of Alcohol, Tobacco and Firearms that our Code be made mandatory for all vintners, both American and foreign. This is now under consideration.

In our view, the most constructive act that can be taken by your committee, on the subject of wine advertising, is to assist us in encouraging the Administration to adopt our Code as a regulation for all wine advertisers.

In this effort, we respectfully solicit your support.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

NOV 13 1978

Mr. John De Luca
President
Wine Institute
165 Post Street
San Francisco, California 94108

Dear John:

Thank you for your letter on the Department's alcohol policies and programs.

There is a real need to bring the problems related to alcohol abuse into focus to assure that the actions we are taking are effective. In light of that, I am impressed by the thoughtful consideration the wine industry has given to its role in the resolution of alcohol-related problems. I would also like to commend your membership on its adoption of a new advertising code of ethics.

The creation of an employee alcoholism program by the Wine Institute is also highly significant. The Institute's action is recognized as one of positive leadership which, hopefully, will result in the establishment and implementation of occupational alcoholism programs throughout the agriculture industry.

I appreciate your close cooperation with, and support of, the Department's efforts. By your example, you are helping to dispel the notion that the Department is in an adversarial position with the alcoholic beverage industry.

Sincerely,

Joseph A. Califano, Jr.

National
Council
on
Alcoholism inc.
733 THIRD AVENUE, NEW YORK, N. Y. 10017 • (212) 986-4433

April 30, 1978

John A. De Luca
Wine Institute
165 Post Street
San Francisco, California 94108

Dear Mr. De Luca:

By action of the Executive Committee, the National Council on Alcoholism highly commends Wine Institute for its new code of advertising standards. We believe the social significance of this code will be recognized across the nation by alcoholism councils and by those concerned with alcohol problems.

Your positive act represents a significant potential contribution to the prevention of alcohol abuse and alcoholism.

By assuring that wine advertising will not be designed to appeal to young persons, and will not glorify or misrepresent wine use, your industry has distinguished itself as a trendsetter in addressing contemporary issues. The alcoholism movement is well served by such voluntary action, and we publicly applaud Wine Institute for its initiative and example.

Sincerely,

Luther A Cloud m D

Luther A. Cloud, M.D.
President

The National PTA

700 North Rush Street
Chicago Illinois 60611
312 787 0977

October 9, 1979

Ms. Patricia Schneider
Education Director
Wine Institute
165 Post Street
San Francisco, California 94108

Dear Ms. Schneider:

Becky Schergens, our Executive Director, referred to me your letter about the Wine Institute's Code of Advertising Standards.

As you know, the National PTA has been involved in an alcohol education project for the past five years, and we are proud of the materials that were produced by our pilot projects in six states. I'm sure Dick Spoonster kept you informed about these materials that are available through the National PTA.

We commend the Wine Institute for its effort to promote responsible advertising standards in your field, and we would especially commend eliminating appeals to young people.

As you know, the National PTA in its alcohol education project has not encouraged drinking,particularly among young people. When adults must make choices about drinking, of course we encourage responsible decisions in this area of behavior.

Thank you again for sharing with us the Wine Institute's Code of Advertising Standards.

Sincerely,

Mrs. Virginia Sparling
President

VVS:an
Enc.

STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY
EDMUND G. BROWN JR., Governor

OFFICE OF ALCOHOLISM
DIRECTOR'S OFFICE
825 - 15th STREET
SACRAMENTO, CALIFORNIA 95814

(916) 445-1940

April 27, 1978

Mr. John DeLuca
President
Wine Institute
165 Post Street
San Francisco, CA 94108

Dear John:

I recently received a copy of the Wine Institute's "Code of Advertising Standards". First, on behalf of the many diverse elements within the alcoholism constituency, please accept my congratulations on a very positive and forthright set of standards. Secondly, allow me to express my own personal compliments and satisfaction with your concern and efforts toward social responsibility reflected by the new Guidelines.

I am still looking forward to having a chance to meet with you to discuss a variety of issues of mutual concern. I am anxious to further efforts toward a more cooperative working relationship between the Office of Alcoholism and the Wine Institute. Please contact me, at your convenience, so that we might plan a time to get together.

Regards,

Rita

RITA SAENZ
Director

RS:lf

WILLIAM G. MILLIKEN, Governor
MAURICE S. REIZEN, M.D., Director

STATE OF MICHIGAN
DEPARTMENT OF PUBLIC HEALTH
3500 N. LOGAN P.O. BOX 30035 LANSING MICHIGAN 48909

April 28, 1978

Mr. David Keyes
Wine Institute
165 Post Street
San Francisco, California 94108

Dear David:

I have reviewed the new Code of Advertising Standards as released by the Wine Institute, and I am deeply and positively impressed. The Code responds constructively to most of the problems which have been raised concerning inappropriate and potentially irresponsible messages in advertising beverage alcohol.

I understand that compliance with the Code is necessarily voluntary, and I personally prefer this approach. Nevertheless, the value of the Code is inseparable from the question of how many wine advertisers choose to follow the Code in their actual advertising decisions. If you have not already done so, I would hope that some means could be developed by which advertisers who do subscribe to the Code can make this fact and its significance known to the public. While social responsibility may be its own reward, I think that there are large numbers of people who would appreciate knowing those who subscribed to the Code and that this information might in some cases affect consumer behavior. Certainly, I would be interested in this information.

Many thanks to the Wine Institute and to the wine growing industry which has supported the development of this Code.

Sincerely,

Ken

Kenneth L. Eaton
Administrator
Office of Substance Abuse Services

KLEM:plc

cc: Rae Dehncke

MICHIGAN
THE GREAT LAKE STATE

"Equal Health Opportunity for All"

National Center for Alcohol Education 1601 North Kent Street Arlington, Virginia 22209 (703) 527-5757

April 24, 1978

Mr. David Keyes
Wine Institute
165 Post Street
San Francisco, California 94108

Dear David:

I thank you for sending me a copy of the new Code of Advertising Standards for the wine industry. The contents indicate a keen awareness of the many channels through which advertisements can communicate and the multitude of messages they can convey.

I commend you for your part in updating the Code, and in particular, for the fact that it shows you listened with sensitivity and good graces to those in the alcoholism field who questioned--and sometimes attacked sharply--the techniques used in advertising alcoholic products.

My only question: Have you any plans for promoting the Code among advertising agency staffs in general? I can see advertisers of other products including wine in their ads without regard to the new Standards, and thereby weakening the potential impact of the Standards. I realize that you cannot control the contents, etc. used in advertising other products, but a little deliberate education or consciousness raising among advertising agency staffs might be in order.

It was good to hear from you, and again, my compliments to you for the major role you must have played in updating the Code.

Cordially,

Helen

Helen L.K. Farr, Ph.D.
Materials Development Specialist

HLKF/sd

ALMACA

ASSOCIATION OF LABOR-MANAGEMENT ADMINISTRATORS
AND
CONSULTANTS ON ALCOHOLISM, INC.
1800 N. Kent Street, Suite 907 • Arlington, Virginia 22209 • (703) 522-6272

29 May 1979

Mr. John A. DeLuca
President
Wine Institute
165 Post Street
San Francisco, California 94108

Dear John,

On behalf of ALMACA, I want to congratulate you and the Wine Institute for your very progressive step of developing an occupational alcoholism program for the benefit of the Institute and its member wineries.

Such a step represents a clear statement on your part that there are those who are unfortunate enough to be afflicted with the disease of alcoholism, that they are present in all walks of life, that the Wine Institute recognizes that there is an effective way to provide help for these people and that the wine industry, no less than any other employer, has a responsibility to assist its employees who develop alcoholism.

You are to be commended for your forthright and progressive action in this vital area.

Best regards,

Jim

James A. Baxter
Executive Director

JAB/po

MADD NATIONAL HEADQUARTERS
MOTHERS AGAINST DRUNK DRIVERS

CANDY LIGHTNER
President
PHILIP ROOS, Ph D
Executive Director

May 1, 1984

Patricia E. Schneider
Education Director
Wine Institute
165 Post Street
San Francisco, CA 94108

Dear Pat:

Thank you so much for sending me a copy of the "Wine Institute Policy on Social Responsibility and Drunk Driving." As I mentioned at the time of our recent visit to your offices, I feel very positive toward this document. I am particularly pleased with the position taken by the Institute on the uniform minimum drinking age of 21.

Thank you so much for sharing this information with me.

Sincerely,

Phil

Philip Roos, Ph.D.
Executive Director

PR:jo
cc: John Samford

Commonwealth of Pennsylvania
GOVERNOR'S COUNCIL ON DRUG AND ALCOHOL ABUSE
2101 North Front Street
Harrisburg, Pennsylvania 17120

DICK THORNBURGH
Governor

GARY F. JENSEN
Executive Director

January 31, 1980

Mr. John DeLuca
President
Wine Institute
165 Post Street
San Francisco, California 94108

Dear John:

Thank you for sharing with me the Wine Educator's Notebook.

I have personally studied the Notebook and highly commend the Wine Institute for developing this syllabus on wine tasting. I agree with Mr. Posert that wine education has grown as a specialized and increasingly sophisticated field and that the emphasis has shifted from teaching about history and technology to a focus on developing individual tasting and evaluation skills.

John, I was impressed with the section on proper use outlining healthful drinking patterns for those who consume wine. It was very nicely done.

The Wine Institute is to be congratulated for your educational approach and philosophy toward the sensible use of wine.

I would be willing to further discuss how the Commonwealth of Pennsylvania could conduct one or several pilot programs encouraging sensible decisions about drinking on college campuses. Let's discuss this possibility in the near future.

Sincerely yours,

Gary F. Jensen
Executive Director

FEDERAL TRADE COMMISSION
WASHINGTON, D. C. 20580

Mr. John A. DeLuca
President
Wine Institute
165 Post Street
San Francisco, California 94108

Dear Mr. DeLuca:

This is in response to your letters of September 23 and October 11, 1977, requesting an advisory opinion regarding the lawfulness under the laws administered by the Commission of a voluntary Code of Advertising Standards proposed by the Wine Institute. The Wine Institute is a trade association of the California wine industry representing wineries accounting, in 1976, for more than half of all wines sold in the United States. You have stated that the purpose of the Code is to encourage advertising reflecting the industry's concern with maximum social responsibility and high standards in wine advertising. You also request Commission advice regarding proposed circulation of the Code by the Institute, if approved, to nonmember wineries and other wine associations for their information and solicitation of various media organizations for their adoption of a code embodying the principles contained in the subject Code of Advertising Standards.

The Commission understands that adherence to the Code by the wine producer members of the Institute will be completely voluntary. Individual members will determine for themselves whether to comply with the Code and whether their advertising conforms to its requirements. No sanctions will be imposed, directly or indirectly, for noncompliance with the Code's provisions. The Institute has given assurances to the Commission that its by-laws concerning suspension, expulsion or termination of membership or the imposition of fines and penalties, have no application to voluntary compliance or noncompliance with the proposed advertising Code. The Code does not apply to wholesalers or retailers of wine products and, as represented, is non-discriminatory among wine producers insofar as limitations upon advertising opportunities are concerned.

The Commission has not considered, and therefore expresses no opinion regarding, the ethical concerns addressed by the Code. Accordingly, the advice rendered by the Commission pertains solely to the propriety of the proposed actions under the antitrust laws.

In the Commission's view, the antitrust laws do not prevent a completely voluntary forbearance by industry members from the use of advertising themes perceived as socially undesirable, so long as no undue restraint of trade ensues. The Wine Institute's objective of encouraging the promotion of wine products by domestic wine producers in a socially responsible manner may well be laudable. Particular care must be taken, however, to assure that limitations on advertising, even voluntary ones, do not operate anti-competitively or in such manner as unreasonably to restrict competitive alternatives or foreclose competitors in any market.

In addition to reviewing the submitted proposal to assure that effective competition in the domestic wine industry not be adversely effected, the Commission has considered possible downstream consequences, as well, of Code provisions that could secondarily operate to limit particular media markets or the commercial opportunities of persons associated with affected aspects of media advertising. To assure that limitations of this nature are minimized, the Institute has informed the Commission that the Code will be amended to eliminate a specific age designation for show models and personalities by omitting the words "are or" from Guideline 4(a), as well as in Guideline 4(c) to add the words "children's or juveniles'" before "magazines."

The Commission has decided it should interpose no objection to presentation of the proposed Code by the Wine Institute to its members. This decision is based on the Institute's assurance that no coercion, direct or indirect, will attend the decision by any member as to whether it will or will not comply with the provisions of the Code, the Code's clearly noncommercial purposes and the limited nature of secondary restrictive effects on persons or entities engaged in businesses allied to advertising or to wine distribution and sale. The Commission, however, maintains the right to withdraw its approval in accordance with § 1.3(b) of the Rules of Practice in the event implementation of the Code results in coercion or competitive foreclosure or should the public interest otherwise so require.

In view of the foregoing considerations, the Commission has decided to reserve opinion at this time concerning overtures to nonmember wine producers to adopt the Code, including unsolicited initial contacts with specific nonmembers for such purpose. A basic qualification to the Commission's affirmative opinion regarding presentation of the Code by the Wine Institute to its members is that the Code be completely voluntary. Nonmembers of the Institute will be free to communicate interest in the Code if they so desire and the Code will undoubtedly receive sufficient publicity to enable their doing so.

A special problem is presented by the Institute's proposal to request media organizations to adopt parallel advertising guidelines. Such activity on the part of the Wine Institute, if fully successful, could as a practical matter render compliance with the Code's provisions compulsory rather than voluntary from an individual wine producer's perspective. Because pressures in this direction possess a significant potential for coercively inducing modifications in the advertising practices of competitors that could be commercially advantageous to those responsible for formulation of the Code, Commission approval cannot be extended to this aspect of the proposal.

By direction of the Commission.

Carol M. Thomas

Carol M. Thomas
Secretary

Senator HAWKINS. I compliment you, Mr. DeLuca. It is an excellent code.

At this point, we have been joined by Senator Bob Kasten from Wisconsin, who would like to introduce one member of our panel and then we will go back to the regular order with Mr. Shea.

Senator KASTEN. Madam Chairman, thank you very much, and as I look at this distinguished panel of people that all of us have had the opportunity of working for, I would particularly like to introduce this morning a fellow Wisconsonite.

I would like to introduce one of your witnesses, Alan G. Easton, who is the vice president of corporate affairs for the Miller Brewing Co. The Miller Brewing Co. has its headquarters in my home town of Milwaukee, and I can assure you that we are proud of this company and all of its many fine employees.

The Miller Brewing Co. epitomizes what a fine and responsible corporate citizen should be, and I know that your committee will give all due regard to the testimony which Mr. Easton and the other distinguished panelists will give.

I thank you for the opportunity of joining you briefly.

Senator HAWKINS. We thank you for your interest, Senator.

Next, we will hear from Donald Shea, who is president of the U.S. Brewers Association.

Mr. SHEA. Good morning, Madam Chairman and members of the committee. Thank you for the opportunity to testify before you this morning. Being of Irish extraction, if I begin to gesticulate with my hands, it is because of my proximity to and respect for Mr. John DeLuca.

My name is Donald B. Shea. I am president of the U.S. Brewers Association. Founded in 1862, the USBA is our Nation's oldest trade association in continuous existence. Its membership is comprised of domestic brewers, beer importers, and suppliers to the brewing industry.

The brewing industry shares the concern of this committee and the entire Nation over the misuse of alcoholic beverages. We recognize our obligation to work with responsible organizations and individuals in the public and private sectors in seeking to alleviate the problems attendant to the excessive or the inappropriate use of our products.

When Franklin Roosevelt signed the proclamation signaling the demise and repeal of prohibition in December 1933, he stated a goal which remains valid today for our Nation in our efforts to reduce alcohol problems.

"The objective we seek through a national policy is the education of every citizen toward a greater temperance throughout the Nation."

The USBA shares the view that education rather than restrictive legislation or onerous regulation provides a more appropriate method for society in attempting to minimize the incidence of alcoholism and other forms of alcohol abuse.

In 1976, when this committee last held hearings on the purported impact of the media on alcoholism, the then Director of NIAAA, Dr. Ernest P. Noble, urged our industry to determine the effects, the impact, if you will, of its advertising. The balance of this testimony will illustrate the brewing industry's fulfillment of this challenge and our increased support for educational programs.

In 1978, Dr. David J. Pittman and Dr. M. Dow Lambert, in an extensive survey of the research literature on advertising's impact, found no scientific evidence of a connection between alcohol beverage advertising and misuse of alcoholic beverages.

These scientists observed:

> Because of its ubiquitous presence in American society, there is a tendency to overemphasize or exaggerate the impact of television viewing on behavior patterns from alcohol use to voting preferences in elections. In this simplistic explanation of behavior, the individual television viewer is conceived of as a robot who succumbs as a conditioned Pavlovian dog to the commands of television messages to purchase one product or another.

In a series of studies funded in part by USBA and NIAAA, Donald E. Strickland of Washington University found that only marginal changes in alcohol consumption could be associated with advertising. More importantly, this researcher noted that these meager effects on consumption are simply not translated into effects on alcohol problems among youth.

Another independent study published in 1984 by Paul Kohn and Reginald Smart focused specifically on the effects of beer advertising shown during sports programming on the consumption patterns of college-age men. Kohn and Smart found that: "The amount of advertising exposure had no significant effect on consumption," and they concluded that the findings, "do not support strong concern about the effects of televised beer advertising on a young male population even with ongoing, immediate access to beer."

Many proponents of a ban on our advertising, while ignoring the foregoing investigations, repeatedly cite a 1980 Michigan State University study authored by Dr. Martin Block and Dr. Charles Atkin in advancing their claim of a causal connection between advertising and alcohol misuse.

However, these researchers themselves specifically acknowledged several limitations on their findings which must be kept in mind when considering fundamental public policy initiatives.

Among their limitations were: One, "Direct extrapolation of the data collected to the general population cannot be made and caution must be exercised in generalizing these findings." Two, "The design of the study prevents cause and effect to be inferred." And, three, "Some of the samples employed were basically judgmental or convenience in nature."

Due to these self-acknowledged limitations, the Atkin-Block study cannot be regarded as providing conclusive evidence of advertising's effects.

What available research uniformly shows is that parents and peers are the major influences in shaping drinking habits. In 1983, an extensive survey of the research by the Congressional Office of Technology Assessment found the following:

"The most reliable predicter of drinking among youths is the drinking behavior of their parents, although peers have an important influence."

[The excerpt from the survey by the office of Technology Assessment follows:]

HEALTH TECHNOLOGY CASE STUDY 22:

The Effectiveness and Costs of Alcoholism Treatment

MARCH 1983

This case study was performed as a part of OTA's Assessment of

Medical Technology and
Costs of the Medicare Program

Prepared under contract to OTA by:
Leonard Saxe, Ph. D., Boston University
with:
Denise Dougherty, Boston University
Katharine Esty, Boston University
Michelle Fine, Ph. D., University of Pennsylvania

OTA Case Studies are documents containing information on a specific medical technology or area of application that supplements formal OTA assessments. The material is not normally of as immediate policy interest as that in an OTA Report, nor does it present options for Congress to consider.

CONGRESS OF THE UNITED STATES
Office of Technology Assessment
Washington, D.C. [illegible]

Not much has been written about the reasons for the apparent different rates of prevalence among different subpopulations. Armor and colleagues (13), in trying to explain the tendency of low socioeconomic Southern Protestant males to present themselves for alcoholism treatment programs, invoked cultural values as an explanation.

Elderly People

Many surveys indicate an overall decline in alcohol use with age (cf. 12), indicating, perhaps, less need for treatment services among elderly populations. Among elderly people who drink, however, a significant number have alcohol problems (223). In 1978, 6½ percent of those served in NIAAA-funded alcohol treatment centers were age 60 and over (218). Schuckit and Miller (281) report that, in recent years, approximately 10 percent of alcoholics in treatment are age 60 or older. Two percent of elderly women are problem drinkers (13). For the late-onset alcoholics (those whose alcohol-related problems began after age 40), health and marital problems appear to be closely associated factors. Stressful life situations such as loss of a spouse, lack of purposeful employment, and poverty, which are often connected with advanced age, contribute to alcohol use and abuse.

Despite the significant number of elderly people who receive treatment, many do not receive treatment for alcoholism. NIAAA hypothesized that for the elderly, reluctance of friends, relatives, and professionals to recognize drinking problems; incorrect diagnosis; inability of social agencies dealing with aging to treat alcoholism; and the orientation of treatment centers to younger clientele constitute barriers to treatment (216).

Youth and Adolescents

Surveys of alcohol use (e.g., 127) have indicated that a substantial proportion of youths drink excessively. In 1978, youths 18 and under comprised 4.5 percent, and individuals between the ages of 19 and 24 comprised 14 percent, of those served by NIAAA-funded alcoholism treatment projects (100). Donovan and Jessor (82) report that approximately 5 percent of both girls and boys in the seventh grade are problem drinkers; the proportion of problem drinkers increases steadily in each grade, until by grade 12 almost 40 percent of males and 20.6 percent of females are problem drinkers. NIAAA reports that a national survey of men aged 21 to 59 showed that the highest proportion of drinking problems are in the group aged 21 to 24.

Donovan and Jessor (82) define problem drinking for youth and adolescents as having been drunk five or more times and/or having two or more life areas in which negative consequences occurred in the past year. Although this is a liberal standard, compared to those used to identify alcoholics, it highlights the seriousness of adolescent alcohol use. Probably the most alarming consequence of adolescent and young adult drinking is its relationship to fatal driving accidents (352,353). Recently, the Secretary of Transportation called for a uniform requirement that the minimum age for those purchasing alcoholic beverages be 21 years.

The most reliable predictor of drinking among youths is the drinking behavior of their parents (257), although peers have an important influence (41,151,152). In 81 percent of families in which both parents drink, children also drink; in 72 percent of families with two abstaining parents, children do not drink (216). A number of sociocultural influences predisposes young people toward drinking. These include residence in an urban area, divorced or separated parents, a poor parent-child relationship, and high socioeconomic status (34).

According to a recent review, systematic theory-based research on the cause of adolescent problem drinking and the circumstances under which it "matures out" is minimal (216). Much as other special populations do, youths who abuse alcohol appear to have special treatment needs. According to some experts, it needs to be recognized that because adolescent problem drinking is only part of the total syndrome of problem behaviors, alcohol-specific treatment is inadequate (216).

Women

Women comprise only 20 to 40 percent of those served in alcohol treatment facilities, but the question of whether women are less prone to alcohol-

Mr. SHEA. We fundamentally disagree with Project SMART because, like turn-of-the-century proponents of national prohibition, their effort fails to distinguish between use and abuse of alcohol beverages.

Ironically, Project SMART assumes that the American public is not intelligent enough to determine what behavior is in their own best interests. After 8 months, perhaps this explains their inability to garner 1 million signatures on a petition. And I might add neither the 500,000 beer retailers nor the 100 million moderate beer consumers have been called upon to engage in a smarter petition.

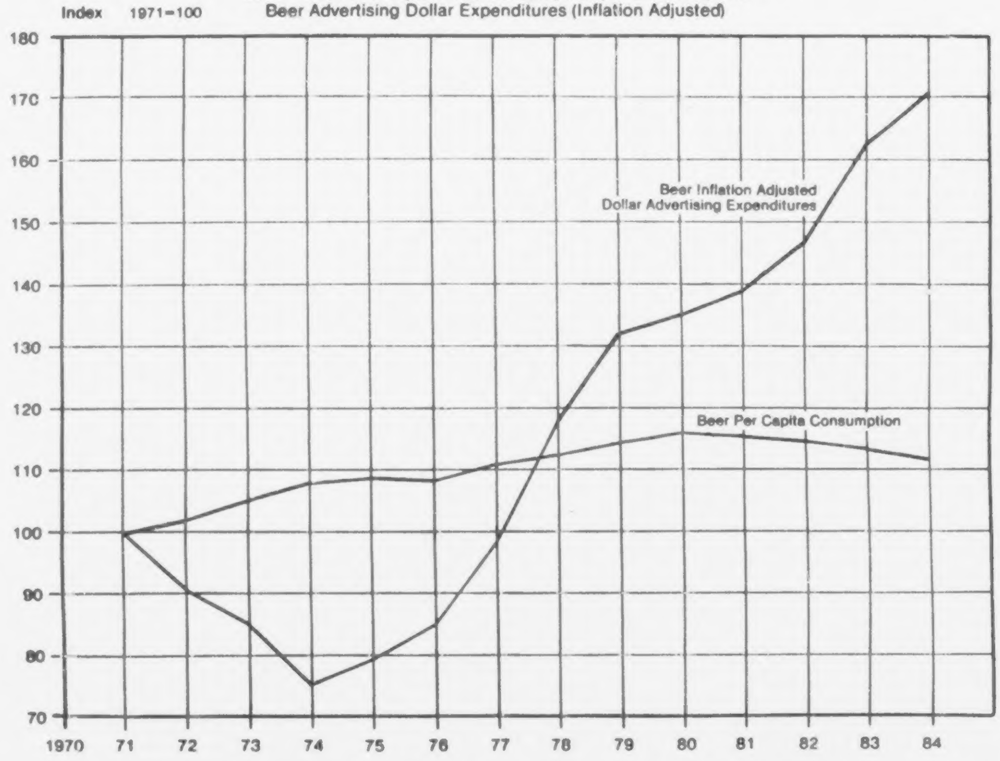
In reality, it must be added, Americans have become increasingly health conscious. They are exercising more, they are eating a more nutritious and lower calorie diet, and they are drinking alcohol beverages in moderation more than ever before.

Scientific evidence indicates that when our products are used in moderation, they contribute to a healthy lifestyle. Contrary to popular belief, the introduction of the electronic media has not pushed alcohol consumption to an all-time high. In the year 1830, long before the invention of radio or television, per capita alcohol consumption was extremely higher than two times today's rate.

Moreover, beer sales have been either level or declining since 1981, a period when beer advertising expenditures have reached their all-time high. As the chart in the front of the room indicates, inflation-adjusted advertising expenditures actually declined in the early 1970's, at a time when per capita consumption increased.

[The chart referred to follows:]

1971—1984 Per Capita Beer Consumption (21 and Over) and Beer Advertising Dollar Expenditures (Inflation Adjusted)



SOURCE: Beer Sales and Population, 1971—1983: U.S. Treasury Department & U.S. Department of Commerce; 1984: U.S. Brewers Association estimates; Beer Inflation Adjusted Advertising Expenditures 1971—1983: Leading National Advertisers and Broadcast Advertisers Reports, Radio Expenditure Reports and R. S. Weinberg & Associates, Advertising Cost Index; 1984: U. S. Brewers Association estimates.

Mr. SHEA. Later in that decade and into the 1980's, there were dramatic increases in beer advertising expenditures while per capita consumption rose only moderately and then began to actually decline.

Advertising has enabled individual brewers to increase market shares at the expense of their competitors. Why spend all this money on advertising? Because a 1-percent change in market share has been estimated to be worth $380 million at retail. This explains the necessity for substantial advertising expenditures in a relatively stable market.

In addition, a prohibition of broadcast advertising would severely limit the ability of brewers to expand into new territories and competition within our industry could be reduced.

Advertising has also assisted in the introduction and public acceptance of new products, such as lower calorie and reduced alcohol beers. Advertising for malt beverages must be consistent with our concern about alcohol misuse. Since the 1940's, the brewing industry has had guidelines which delineate the proper standards for beer advertisements, and these guidelines have been revised over the past 12 months.

A second self-regulatory device unique to the brewing industry is the Advertising Review Panel, first established in 1955. A complete set of the brewing industry guidelines has been submitted for the record.

Often, critics will show commercials long abandoned by brewers as evidence of their unfounded claims. With regard to college programs, every brewer in this country has either promulgated or endorsed institutional guidelines for the responsible marketing of our products on campuses, where allowed by law.

We believe that alcohol problems and the incidence of alcoholism can be reduced by prevention measures based upon sound empirical research. Brewers have, and will continue to support research through the Alcoholic Beverage Medical Research Foundation, headquartered at the Johns Hopkins University School of Medicine.

This independent organization awards approximately $1 million annually in grants to scientists who are studying the effects of alcohol beverage consumption.

Part of any solution to the problem of alcoholism is adequate treatment and rehabilitation. The USBA has encouraged early intervention into alcohol problems through widespread distribution of an Employee Assistance Program manual. Through these EAP's, employees can receive needed help for alcohol, drug, or other personal problems at an early stage in its development.

The best prevention for misuse is education. The brewing industry supports a wide variety of these programs. My association since 1979 has promoted a Think Twice About Drinking Program. In addition, our association was one of the first corporate sponsors of SADD, Students Against Driving Drunk.

Individual brewers, beer wholesalers have been actively involved in supporting educational approaches for a great number of years. In addition to the programs of Anheuser-Busch and the Miller Brewing Co., who will testify shortly, the Adolph Coors Co., and the Stroh Brewery Co. have supported programs such as "Alcohol, Drugs, and You" and the BABES Program, which was developed by the National Council on Alcoholism in Detroit.

The beer wholesalers, through their association, the National Beer Wholesalers Association, have developed and are distributing a comprehensive 2d grade through 12th grade educational curriculum called Preventing Alcohol Abuse.

These are just a few examples of our commitment to the prevention of alcohol-related problems. Censorship, in conclusion, I would say, is the antithesis of education. Substituting ignorance for information will not prevent alcohol problems.

Further restrictions on the brewers' constitutional right to advertise a legal product would only unfairly stigmatize all consumption of malt beverages without reducing misuse. An alcohol beverage advertising ban represents a step backward into the shadows of prohibition.

Thank you, Madam Chairman, and I shall be pleased to answer any questions.

[The prepared statement of Mr. Shea follows:]

TESTIMONY OF

DONALD B. SHEA

PRESIDENT

UNITED STATES BREWERS ASSOCIATION, INC.

Good morning, Madam Chairman and members of the Committee. Thank you for the opportunity to testify before you this morning.

My name is Donald B. Shea and I am President of the United States Brewers Association, Inc. (USBA). Founded in 1862, USBA is our nation's oldest trade association in continous existence. Its membership is comprised of domestic brewers, beer importers and suppliers to the brewing industry.

The brewing industry shares the concern of this Committee and the entire nation about the misuse of alcoholic beverages. We recognize our obligation to work with responsible organizations and individuals in the public and private sectors in seeking to alleviate the problems attendant to the excessive or inappropriate use of our products.

When President Franklin D. Roosevelt signed the proclamation signaling the repeal of Prohibition in December 1933, he stated a goal which remains valid today in our efforts to reduce alcohol problems:

> "The objective we seek through a national policy is the education of every citizen toward a greater temperance throughout the nation."(1)

USBA shares the view that educational programs rather than restrictive legislation or regulations provide the more appropriate method for society to minimize the incidence of alcoholism and other alcohol abuse.

. Industry programs in this area are premised upon the philosophy that the decision to drink or not to drink alcoholic beverages is a personal one which should be based upon accurate information. Second, it has been and remains our firm position that persons of legal age who decide to drink should do so in moderation and under appropriate circumstances.

VOLUNTARY ADVERTISING GUIDELINES

Advertising for malt beverage products must be consistent with our concern about alcohol misuse. Since the 1940's, the brewing industry has had guidelines which delineate the proper standards for beer advertisements. Further, we have an Advertising Review Panel to evaluate advertising practices which assures the propriety of all beer advertisements.

These voluntary guidelines have been reviewed periodically and revised as necessary to reflect the changing nature of the brewing industry and the American society which it serves. Over the past twelve months the entire malt beverage industry engaged in another revision of these guidelines. In addition, an industry-wide task force has been established to reorganize the panel of experts to serve as the Advertising Review Panel.

To give you an example of this updated Code, the first of these twenty Brewing Industry Advertising Guidelines reads: "Beer advertisements should neither suggest nor encourage over-indulgence." To assure strict adherence to this standard, no depiction of on-camera drinking is permitted.

Other standards dissuade beer advertisers from portraying beer drinking before or during the performance of hazardous jobs or other activities requiring a high degree of alertness. One guideline specifically prohibits beer ads from condoning, either explicitly or implicitly, drunk driving.

Our voluntary code has long discouraged advertisements directed toward the young. For example, the Guidelines state explicitly: "Beer advertising should neither portray nor encourage drinking by individuals below the legal age of purchase"; and, "No beer advertisements should in any way suggest non-compliance with legal age of purchase limitations."

A complete set of these Brewing Industry Advertising Guidelines is submitted as part of this testimony for inclusion into the record of this Hearing. (Appendix A)

A second self-regulatory device, unique to the brewing industry, is the Advertising Review Panel, established in 1955. This independent group of experts from outside the brewing industry considers complaints from brewers and importers about any advertisement which could be considered to violate the industry's Advertising Guidelines. If the Panel determines that a complaint is justified, the brewer is notified with a request that the advertisement either be changed or withdrawn. Compliance is strictly voluntary in accordance with Federal antitrust laws. Within the next few weeks, a fully restructured Panel will be in place to monitor adherence to our recently revised Guidelines.

ADVERTISING RESTRICTIONS UNWARRANTED

In 1976, this Committee held extensive Hearings on the impact of the media on alcoholism and other alcohol-related problems. Noting the paucity of scientific data on advertising's impact, the then Director of the National Institute on Alcohol Abuse and Alcoholism (NIAAA), Dr. Ernest P. Noble, urged the brewing industry to determine the impact of its advertising. Dr. Noble observed:

> "I think that the (alcohol beverage) industry should make substantial commitments to research and to consumer education. The Federal Government has made a major commitment in this area in the form of the Institute which I represent. The beverage industry should make a similar commitment." (2)

The balance of this testimony will illustrate the brewing industry's fulfillment of this requested commitment.

Subsequent to the Senate Hearings in 1976, a study was undertaken at Washington University in St. Louis, Missouri. The study, authored by Dr. David J. Pittman and Dr. M. Dow Lambert, was a survey of the research literature on advertising's impact. Their comprehensive investigation found **no** scientific evidence to indicate that alcohol beverage advertising had any significant impact on the rate of alcohol misuse or alcoholism. Further, Pittman and Lambert concluded that the effects of mass media influence on human behavior have been exaggerated. Dr. Pittman wrote:

> "Because of its ubiquitous presence in American society there is a tendency to over-emphasize or exaggerate the impact of television viewing on behavior patterns from alcohol use to voting preference in elections. In this simplistic explanation of behavior the individual television viewer is conceived of as a robot who succumbs as a conditioned Pavlovian dog to the commands of television messages to purchase one product or another." (3)

Another Washington University researcher, Dr. Donald E. Strickland, found in several 1982 investigations (partially funded by NIAAA and USBA) on the effects of alcohol beverage advertising that only marginal changes in alcohol consumption could be associated with advertising. More importantly, Dr. Strickland observed that these "...meagre effects on consumption are simply not translated into effects on alcohol problems among youth."(4)

In a recent study published in the peer-reviewed Journal of Studies on Alcohol, researchers Paul M. Kohn and Reginald G. Smart specifically focused on the effects of beer advertising during sports programming on the consumption patterns of college aged men. While watching a videotaped soccer game interspersed with beer commercials ranging in number from zero to nine, the one hundred twenty-five college students had immediate access to beer and soft drinks. Kohn and Smart found that the "...amount of advertising exposure had no significant effect on consumption"(5) and concluded that the findings "...do not support strong concern about the effects of televised beer advertising on a young, male population, even with ongoing, immediate access to beer."(6)

Many proponents of a ban on alcohol beverage advertising, while ignoring the foregoing investigations, repeatedly cite a 1980 Michigan State University study by Dr. Charles Atkin and Dr. Martin Block to advance their claim of a causal connection between advertising and alcohol misuse. These researchers specifically acknowledged several limitations on their findings which must be kept in mind when considering fundamental public policy initiatives. Among the limitations noted were:

1. "Direct extrapolation of the data collected to the general population cannot be made, and caution must be exercised in generalizing the findings."

2. "The design of the study prevents cause and effect to be inferred."

3. "Some of the samples employed were basically judgmental or convenience in nature."(7)

An evaluation of the Atkin-Block study by Dr. Strickland was published in the Journal of Studies on Alcohol in January 1984 which is attached as Appendix B.

Available research uniformly demonstrates that parents and peers are the major influences in shaping drinking habits. In 1983, an extensive survey of the available research data by the bipartisan Congressional Office of Technology Assessment noted:

> "The most reliable predictor of drinking among youths is the drinking behavior of their parents although peers have an important influence."(8)

Other influences on teenage drinking cited in this study included: residence in an urban area, divorced and separated parents, poor parent-child relationship and high socioeconomic status. It is of critical importance to note that in this exhaustive review of the available research, not even one mention was made of advertising as a factor in shaping drinking behaviors.

These research findings are reinforced by experience in other countries where advertising bans have not resulted in a reduction of alcohol problems. For example, the Soviet Union, which does not have the constitutional guarantees afforded by the United States, has banned all advertising since 1917; yet it is generally recognized to have a very high rate of alcoholism.

Consequently, prior to the consideration of restrictions on the advertising of legal products, it is critical to conduct a thorough review of the scientific evidence, which in this instance fails to show any causal connection between alcohol beverage advertising and alcohol abuse. We are certain that every reputable scientific organization shares the view that available empirical research should not be cavalierly ignored.

IMPACT OF ADVERTISING ON CONSUMPTION

Those who would equate a ban of alcohol beverage broadcast advertising with a decline in the rates of alcohol problems ignore the lessons of history. In 1920, the United States attempted to eliminate alcohol problems by banning the production, distribution and sale of beer, wine and distilled spirits. While failing to curtail alcohol abuse, the Prohibition experience created significant new problems, the legacy of which still negatively affects American society. The public lost respect for the law and governmental leaders. Organized crime became institutionalized in the United States as a result of the enormous untaxed profits resulting from bootlegged liquor.

Since Repeal, the brewing industry has made significant contributions to the United States economy. Currently, the brewing industry in the United States directly employs close to 42,000 people with a payroll of approximately $1.4 billion. Beer wholesalers employ an additional 85,000 with a payroll of $1.9 billion. Brewers pay $1.6 billion in Federal excise taxes on beer as well as an additional $1.2 billion in state excise taxes. Agricultural purchases amount to over $700 million a year and the industry's annual bill for packaging is over $4.5 billion.

If an outright ban on the sale of alcohol beverages failed to significantly reduce alcohol problems, it is illogical to suggest that prohibitions on broadcast advertising would have a substantial impact on changing human behavior. It should also be noted that the introduction of the electronic media, contrary to popular belief, has not resulted in this nation's highest level of alcohol beverage consumption. Historical records reveal that in 1830, long before the invention of radio and television, per capita alcohol consumption was seven gallons, nearly two and one-half times today's consumption level. (9), (10)

Moreover, beer sales have been either level or declining since 1981, a period when advertising expenditures have reached an all-time high. A review of the tables and chart included as Appendix C reveals the trends in beer advertising expenditures in comparison with beer per capita consumption.

The chart demonstrates the lack of correlation between total brewing industry advertising expenditures and per capita consumption levels. Beer advertising significantly impacts upon individual brands and company sales, with only meager impact on the total market. Factors which do influence per capita consumption include disposable income, price, population size and mix, and related economic and sociological influences.

As the chart indicates, inflation adjusted advertising expenditures actually declined in the early 1970's at a time when per capita consumption increased. Later in that decade and in the 1980's, there were dramatic increases in beer advertising while per capita consumption rose only moderately and then actually declined.

Advertising has enabled individual brewers to increase market share at the expense of competitors. A one percent change in market share has been estimated to be worth $380 million, thereby explaining the necessity for substantial advertising expenditures in a stable market. In addition, a prohibition of broadcast advertising would severely limit the ability of brewers to expand into new territories and competition within the brewing industry would be reduced.

Advertising also assists in the introduction and public acceptance of new products such as lower calorie and reduced alcohol malt beverages. Brewers have been responsive to the increased health consciousness among the American public which has led to more moderate diets, more exercise and more responsible alcohol consumption. When our products are used in moderation, malt beverages contribute to a healthy lifestyle. A number of research studies have found a correlation between moderate consumption of alcohol beverages and lowered risk of cardiovascular disease, the leading cause of mortality in the United States. (11-21)

ALCOHOL AWARENESS PROGRAMS OF THE BREWING INDUSTRY

Voluntary industry programs are in keeping with our belief that education will provide the best method of reducing the rates of alcohol misuse. Every medium of communication is being used to an extensive degree to advance alcohol abuse prevention strategies and to recognize that misuse of alcohol is a **"people"** problem.

USBA launched in 1979 a nationwide alcohol awareness program entitled "Think Twice...About Drinking." All materials in this program encourage those who elect to use our products, to drink in moderation, under appropriate circumstances and in conformance with all legal requirements.

A combination of medical, psychological and sociocultural factors appear to play a role in alcohol misuse. We believe that alcohol problems and the incidence of alcoholism can best be reduced by prevention measures based on sound empirical research. The brewers have and will continue to support research through the Alcoholic Beverage Medical Research Foundation, established in October 1981, at the Johns Hopkins University. The brewers of the United States and Canada are the main contributors towards its support. Approximately one million dollars in grants are awarded each year to researchers throughout North America. The Foundation has complete freedom to publish all research findings. Among the subjects being studied by Foundation grantees are: the factors influencing the transition from moderate to excessive drinking; the effects of moderate drinking; and drunk driving.

Last year, the Foundation sponsored the North American Conference on Alcohol and Highway Safety. The leading researchers in the field, members of grassroots groups such as Mothers Against Drunk Driving (MADD), Students Against Driving Drunk (SADD), and Remove Intoxicated Drivers (RID), government representatives and brewing industry personnel from four countries participated. The three day meeting sought to look at all factors which contribute to the problems of drunk driving.

One result of increased alcoholism research is the reduction of the stigma surrounding the illness. This has led to greater availability of treatment services to those who need help. The United States Brewers Association has encouraged early intervention into alcohol problems through distribution of an Employee Assistance Program (EAP) manual. Through the cost-effective programs outlined therein, employers can motivate workers to seek help for their alcohol problems at an early stage.

The best preventive measure against alcohol misuse is education and several USBA educational programs focus on young people.

One of the main groups targeted by USBA's "Think Twice...About Drinking" program has been college students. Since 1979, we have published On-Campus Review, a periodical which is a round-up of ideas for setting up college alcohol education programs. Our On-Campus Alcohol Education Manual grew out of this journal and provides a cross-section of college programs so that college administrators and others can choose the elements that best suit their particular school's situation. Another pamphlet called "Cheers" provides guidelines for the responsible operation of college pubs.

USBA also assists state law enforcement agencies in preventing sales to those below the legal age of purchase by educating retailers on the importance of checking for valid identification before serving individuals. The Association has distributed thousands of retail posters, which remind underage people not to attempt to purchase beer illegally.

During the last two years, we have begun to support prevention programs aimed at high school students. Though the brewers do not condone drinking by this group, like the Federal Government we recognize that the statistics show that large numbers of young people do drink. Therefore, it has been our desire to make them aware of the dangers associated with illegal consumption.

The United States Brewers Association was the first corporate sponsor of Students Against Driving Drunk (SADD), a grassroots educational program for high school students. Last year, President Reagan specifically commended SADD for helping to create a "groundswell of awareness and action" which has helped educate the public about the dangers of drunk driving.

SADD is successful because two key factors, parents and peers, are targeted by the program. In addition to a 15-lesson curriculum on alcohol misuse, students are encouraged to participate in extracurricular activities designed to increase awareness throughout their communities on the dangers of drinking and driving. Finally, parents are involved through the SADD "Contract for Life," which provides a mechanism to open the lines of communication between parents and child on the subject of alcohol misuse.

USBA is currently distributing a public service announcement for SADD called "Make the Agreement," which has been endorsed by the U.S. Department of Transportation. It comes in both 30-second and 60-second versions.

Copies of the various USBA alcohol awareness materials have been made available to the members of this Committee and to Committee Staff. Additional copies are available upon request.

In addition to the Association's own programs, USBA is a member of the Licensed Beverage Information Council (LBIC) which is supported by the beer, wine and liquor industries at the producer, wholesaler and retailer levels. LBIC is far advanced in providing public information on key behavioral problems through programs such as the national "Friends Don't Let Friends Drive Drunk" campaign, undertaken in 1983 in cooperation with the Department of Transportation, and those for young mothers on problems such as the Fetal Alcohol Syndrome.

Individual brewers and beer wholesalers have been actively involved in promoting educational approaches for a number of years. Anheuser-Busch, Inc. has developed a significant campaign called "Know When to Say When" which will be described more fully in their testimony to this Committee.

Adolph Coors Co. has promoted nationwide distribution of "Alcohol, Drugs and You", an alcohol education curriculum designed by the Center for Applied Prevention Research, as well as a Student Leadership Training Program created by the Center for Educational Development. Coors has also encouraged the implementation of "Wellness" programs to prevent problems from developing by teaching employees how to manage stress better and adopt life styles which promote good health practices.

The Stron Brewery Company is a sponsor of the new national Techniques of Alcohol Management (TAM) teaching program, which is educating retail servers of alcohol on the best, state-of-the-art techniques to curb abusive drinking and drunk driving. In addition, Stron actively supports the BABES (Beginning

Alcohol and Addictions Basic Education Studies) program for elementary school aged children. Founded in 1979 by Lottie Jones, Executive Director of National Council on Alcoholism (NCA)/NARCO Greater Detroit Area and BABES program coordinator Maxine Willis, BABES uses puppets and an appealing story line to give information on self-image, feelings, coping skills, alcohol and drugs.

In addition to these brewer programs, the nation's beer wholesalers are actively involved in local community prevention efforts. For example, the National Beer Wholesalers' Association (NBWA) has developed and is distributing a comprehensive 2nd grade through 12th grade educational curriculum called "Preventing Alcohol Abuse (PAA)." With the assistance of beer wholesalers across the country, NBWA aims to place the PAA curriculum in every elementary, junior high and senior high school in the country. "Preventing Alcohol Abuse" presents students with a factual, non-judgmental approach to alcohol use and abuse that will enable them to make responsible decisions about drinking or not drinking.

The programs which I have just outlined are a postive response towards preventing problems relating to the overconsumption of alcohol. Censorship is the antithesis of education. Substituting ignorance for information will not prevent alcohol problems.

Further restrictions on the brewers' Constitutional right to advertise a legal product would only unfairly stigmatize all consumption of malt beverages without reducing misuse. An alcohol beverage advertising ban represents a step backward into the shadows of Prohibition.

REFERENCES

(1)Roosevelt, Franklin D., Presidential Proclamation on The Repeal of Prohibition, December 6, 1933.

(2)Noble, Dr. Ernest, "Media Images of Alcohol: The Effects of Advertising and Other Media on Alcohol Abuse, 1976," Subcommittee on Alcoholism and Narcotics of the Senate Committee on Labor and Public Welfare, March 8 and 11, 1976, p. 89.

(3)Pittman, Dr. David J. and Dr. M. Dow Lambert, Alcohol, Alcoholism and Advertising, p. 66, Washington University, St. Louis, 1978.

(4)Strickland, Donald, "Alcohol Advertising: Orientations and Influence," p. 318, Journal of Advertising, Volume I, pp. 307-319, 1982.

(5)Kohn, Paul M. and Reginald G. Smart, "The Impact of Television Advertising on Alcohol Consumption: An Experiment," p. 299, Journal of Studies on Alcohol, Volume 43, No. 4, 1984.

(6)Kohn and Smart, p. 300.

(7)Atkin, Charles and Martin Block, Content and Effects of Alcohol Advertising, Michigan State University, pp. ii and 1, 1980.

(8)Saxe, Leonard, Ph.D. et al., Health Technology Case Study 22: The Effectiveness and Costs of Alcoholism Treatment, p. 16, Congressional Office of Technology Assessment, Washington, D.C., March, 1983.

(9)Hyman, Merton M. et al., Drinkers, Drinking and Alcohol - Related Mortality and Hospitalizations, p. 3, Center of Alcohol Studies, Rutgers University, 1980.

(10)Lender, Mark Edward and James Kirby Martin, Drinking in America, p. 46, The Free Press, New York, 1982.

(11)Klatsky, A.L., G.D. Friedman and A.B. Siegelaub, "Alcohol Consumption Before Myocardial Infarction," Annals of Internal Medicine, Volume 81, No. 3, pp. 294-301, September, 1974.

(12)LaPorte, R.E., J.L. Cresanta and L.H. Kuller, "The Relationship of Alcohol Consumption to Atherosclerotic Heart Disease," Preventive Medicine, Volume 9, No. 1, pp. 22-40, January, 1980.

(13)St. Leger, A.S., A.L. Cochrane and F. Moore, "Factors Associated with Cardiac Mortality in Developed Countries with Particular Reference to the Consumption of Wine," The Lancet, Volume 1 (for the 1979 series), pp. 1017-1020, May 12, 1979.

(14)Ramsey, L.E., "Alcohol and Myocardial Infarction in Hypertensive Men," American Heart Journal, Volume 98, No. 3, pp. 402-404, September, 1979.

(15) Hennekens, C.H., W. Willett, B. Rosner, D.S. Cole and S.L. Mayrent, "Effects of Beer, Wine and Liquor in Coronary Deaths," *Journal of the American Medical Association*, Volume 242, No. 18, pp. 1973-1974, November 2, 1979.

(16) Kozarevic, D., D. Vojvodic, T. Dawber, D. McGee, Z. Racic, T. Gordon and W. Zukel, "Frequency of Alcohol Consumption and Morbidity and Mortality: The Yugoslavia Cardiovascular Disease Study," *The Lancet*, Volume 1 (8169), pp. 613-616, March 22, 1980.

(17) Barboriak, J.J., A.L. Anderson and R.G. Hoffmann, "Interrelationship Between Coronary Artery Occlusion, High-Density Lipoprotein Cholesterol and Alcohol Intake," *Journal of Laboratory and Clinical Medicine*, Volume 94, No. 2, pp. 348-353, August, 1979.

(18) Turner, T.B., V.L. Bennett and H. Hernandez, "The Beneficial Side of Moderate Alcohol Use," *Johns Hopkins Medical Journal*, Volume 148, pp. 53-63, February, 1981.

(19) Castelli, W.P. et al., "Alcohol and Blood Lipids, The Cooperative Lipoprotein Plenotyping Study," *The Lancet*, Volume 2, pp. 153-155, July 23, 1977.

(20) Williams, P., D. Robinson and A. Bailey, "High-Density Lipoprotein and Coronary Risk Factors in Normal Men," *The Lancet*, Volume 1, pp. 72-73, January 13, 1979.

(21) Ricci, G. and F. Angelico, "Alcohol Consumption and Coronary Heart Disease," *The Lancet*, Volume 1, p. 1404, June 30, 1979.

Senator HAWKINS. Thank you, Mr. Shea.

Our next witness, is a fellow Floridian, Frank Flynn, who is chairman of the Alcohol and Drug Abuse Committee for the Florida Association of Broadcasters. We welcome you here and know that it is 80 degrees in Fort Lauderdale. [Laughter.]

Mr. FLYNN. Madam Chairman, members of the subcommittee, ladies and gentlemen, before I read my prepared statement, I would like to make a personal observation regarding remarks that I have heard so far regarding children, adverse influence from television commercials and oncampus promotions, and as I say, this is a personal observation.

Thirty years ago, my wife and I moved from New York to Tallahassee so that I could continue my education at Florida State University. Within those 30 years, we were blessed with four children. Each of those children has either attended and graduated or are attending Florida State University.

They are darned good kids; they have all watched probably too much television, and I am as proud as I can be of all of them. And I feel that in looking at this problem of alcohol and drug abuse that possibly we ought to look a little further than in broadcasting and maybe look to the family unit because I think that is important, and I just wanted to make that personal statement before I read my prepared statement. Thank you.

Senator HAWKINS. Thank you.

Mr. FLYNN. I think all of us in this room are of one mind that the drunken and stoned driver must be taken off the road. Where we differ is in how we approach the problem. Some people feel that broadcast advertising is the problem. I believe that broadcast advertising is part of the solution.

If we were to ban all advertising of beer and wine on television and radio, drunken driving would not stop. When we banned cigarette advertising, cigarette smoking did not stop. Illicit drugs are not advertised anywhere, certainly not on radio or television, but drugged drivers are killing others everyday on our roads.

If we were to stop advertising of beer and wine on radio and television, we would not stop advertising. We would just rechannel it to other media and to targeted promotions and giveaways that we now associate with cigarette advertising.

Beer and wine companies produce a legitimate product enjoyed in moderation by millions of adult Americans. In a free society, those companies will advertise, and they can advertise most responsibly through television and radio.

Other witnesses have set forth the record of ineffectiveness that such bans produce. I will not prevail upon the committee's patience, plowing the ground again.

We in the broadcast industry are part of the solution. In Florida, we have already started over a year ago through the task force of the Florida Association of Broadcasters, which I chair, to launch an all-out assault on educating our viewers and listeners to the facts and the results of drunk driving.

I think we are already seeing dividends. We have promoted the "Friends Do Not Let Friends Drive Drunk" campaign very heavily. In our coverage area, accidents are down. In short, it works, and we have just started.

Last year, just as an example, there were 40 stations, 34 radio and 6 television stations, in Florida. This was last year, now. They aired 895 hours, over 107,400 30-second public service announcements, on drunk driving and alcohol abuse.

Senator EAGLETON. In what time slots?

Mr. FLYNN. Between sign on and sign off.

Senator EAGLETON. In what time slots?

Mr. FLYNN. Between signing on and signing off. I cannot quote 40 stations.

Senator EAGLETON. How many in prime time?

Mr. FLYNN. If you would like that information, I would get that information sent directly to you and to Madam Chairman.

Senator EAGLETON. Would it be a fair estimate that it was a paltry few in prime time?

Mr. FLYNN. Paltry few?

Senator EAGLETON. Paltry few.

Mr. FLYNN. No, I would not say paltry few. I think that is a matter of definition as to, you know, what that would mean.

Senator EAGLETON. Twenty percent?

Mr. FLYNN. Senator, this was a survey that is being taken and the results that we have received so far involve 40 stations. When we complete the survey, we would be happy to send the results of the survey to this committee.

Senator HAWKINS. Why are not all the television stations participating? We have more television stations than six.

Mr. FLYNN. No, no; this was what was in——

Senator HAWKINS. You said 6 TV and 34 radio.

Mr. FLYNN. Right. This is what has been received by the executive director.

Senator HAWKINS. So far?

Mr. FLYNN. So far, since the mailout.

Senator HAWKINS. Which was when?

Mr. FLYNN. And it is a recent mailout, so that is the only reason I am bringing it up is to let you know what the 40 stations did to give you an idea. The full results of this survey——

Senator HAWKINS. On the survey, do you have time slots so that we could see that on your form?

Mr. FLYNN. Yes. It is a percentage; I believe there is a percentage on the form.

Senator HAWKINS. Prime time?

Mr. FLYNN. Yes.

Senator HAWKINS. Go ahead, proceed.

Mr. FLYNN. On our newscasts, our stations all over Florida have shown viewers the horrid results of drunken driving. We have shown people just how stupid they look when they are drunk; thanks to the videotapes of impaired drivers, which is public record, can and have been broadcast.

WCTV, the station I manage, has featured the activities of MADD and SADD reaching thousands of viewers, and the written record reflects many other reports. We want it to stop as much as anyone.

I really do not think that banning advertising of beer and wine will have that effect. I do think that such a ban will drive at least some professional and college sports from free television.

Beer advertising accounts for at least a quarter of all television sports revenue; take it away and commercial channels would have to scramble to fill the revenue gap. I do not think that they would succeed.

Sports programming would likely become the providence of pay channels on cable television, pay per view, and thus be restricted to the fan who can pay the $10 to $25 per sporting event, assuming, of course, that the event, as well as access to cable television, are available in his or her area.

The average fan has a hard enough time already paying for the other small pleasures. Why add this one?

Now, as I stated before, I am a father, a husband. I do love my family, and it is offensive to me to hear people say, in effect, that my concern for their safety somehow takes second place to the profits of my television station.

People in our industry have been tragically touched by drunken and impaired drivers who have killed and maimed them and those they love. If I or any of us in this industry honestly believed that an advertising ban on our medium would solve the problem, we would be here arguing strenuously for such a ban. Indeed, there would be no hearing because we would not accept such advertising.

But that is not the case. No. We are as concerned as any group, so what will we do to demonstrate that concern? I have already told you about our commitment in Florida, programming to inform and educate. Since last spring, we have distributed photographs and descriptions of missing children to television stations in Florida via satellite for the Florida Department of Law Enforcement Missing Children Bureau. We do this absolutely free because we care about these kids.

Now, the Florida Association of Broadcasters, through my company's satellite division, will make the people from MADD, SADD, and any other group who wants to join in the fight against alcohol abuse this commitment: If these organizations will provide us with protection masters of their public service announcements, we will distribute them nationally via satellite at no charge—two transmissions per month for a year.

The NAB will provide liaison with all member television stations to facilitate the reception of these transmissions and their use on the air. Through this offer, these organizations will save thousands upon thousands of dollars in dubbing and shipping charges—dollars which I hope they will invest in educational and information programs to reach children in our schools.

That is our response—a total commitment to be part of the solution. Ours is a small station in Thomasville-Tallahassee. If you will ask others in our industry, I think you will find their response as quick and as positive as ours.

A ban will not work. Cooperation, education and enforcement of stern laws will. Now, here are three locally produced public service announcements on alcohol abuse and drunk driving that were produced by my station with the cooperation of the Florida governor's office.

[The prepared statement and additional material of Mr. Flynn follows:]

STATEMENT OF FRANK FLYNN
CHAIRMAN
ALCOHOL AND DRUG ABUSE COMMITTEE
FLORIDA ASSOCIATION OF BROADCASTERS

Madame Chairman, I am deeply honored to appear before you briefly today to express the views of the Florida Association of Broadcasters regarding beer and wine advertising on radio and television.

I'm delighted to have this opportunity to thank you, Senator Hawkins, for devoting so much of your personal time and energies, as well as those of the entire committee and staff, to this vital problem and on behalf of all Florida broadcasters I want you to know how much we sincerely appreciate your objective through research into this troubling problem.

Certainly each member of this committee receives mailbags full of letters daily with suggestions for improvements in the way things are done in this country. Some of those letters legitimately come from interested and concerned individuals...many are carbon copy or "model" letters generated by well-meaning groups that wish to urge prohibition of this practice or institution of that practice. Lady and gentlemen, my mailbag, as General Manager of a television station in a large market in Florida, is no less full of similar correspondence. I see volumes of correspondence dealing with drunk driving, alcohol abuse, drug abuse, child abuse, childrens' programming, sex and violence, the terrible things Jack is doing to Sarah on one of the soap operas and much, much more.

IDENTIFYING COMMUNITY PROBLEMS

In addition to this constant flow of daily correspondence you must know that broadcasters have for many years been doing ascertainments to determine specifically what the communities we serve require us to provide. You can be fully assured we pay very close attention to these ascertainments and spend thousands of dollars on their completion. We thoroughly survey and talk to people from throughout our communities to determine what they feel are the biggest emerging or continuing problems. We use interviews; we question many varied community groups from _all_ economic levels and _all_ points of view to get a rounded perspective on not only the apparent needs but the perceived needs of _all_ the members we strive to serve.

I want to emphasize this because I think it's a very underlying portion of our presentation here today. You will probably not find any organized group in this country more prepared to tell you more about the needs of the local communities they serve. Broadcasters have had to, for years at their expense, ascertain what the needs of their communities are. Local programming is based on this research. Believe me, there is not a broadcaster alive and active today that isn't aware of the necessity of making good a detailed plan laboriously developed from this research. He or she that doesn't understand and address the needs of his or her community may not be in the business following the next license renewal.

Let me re-emphasize that. You will find it difficult to identify any organized business in any community anywhere in this country with more knowledge of the needs of the community they serve than its _local broadcasters_. You will find few with more knowledge about how to begin solving those problems than these same broadcasters because they have had to make it their business for so many years in order to stay in business.

PUBLIC SERVICE ANNOUNCEMENTS

One of the ways of meeting community needs is through programming public service announcements. Thousands of PSA's on hundreds of topics are sent to radio and TV stations each year. Some well produced...many others not well-done. Most stations have public service directors whose responsibility it is to sift through the PSA's and select those that meet the standard needs of the particular station. Many stations produce spots locally, often utilizing members and groups from their own communities as participants.

It's here that I want to point out that PSA's on alcohol abuse, use and drunk driving are receiving major emphasis today. I'd like you to watch three. (Three spots locally produced are played). These were produced with the cooperation of the Florida Governors Office.

BROADCAST PRODUCES MORE PUBLIC SERVICE

If I leave you with no other message today I want you to remember this. No other medium...no other medium (bar none)...has done more public service for alcohol abuse, use and drunk driving than broadcast. And while recent Federal Communications Commission deregulation no longer requires public service programming, broadcasters are increasing their use of alcohol abuse, use and drunk driving spots. They are doing so to meet the needs of their communities...not to fill a federally mandated requirement.

Other programming possibilities exist. Emphasis can be given timely issues through news programming. Special programming and documentaries can be generated to highlight items of major concern. These special programs can be produced at the station's expense or purchased from other sources if decent productions are in the market place.

BROADCASTERS ARE THE SOLUTION

In short...I want you to hear this...broadcasters are the solution and not the problem. Again...broadcasters are the solution and not the problem.

PROHIBITION - A NON-CAUSE

Should a prohibition of beer and wine advertising on radio and TV be promulgated it would be focusing on a non-cause, leaving real causes ignored.

HISTORY'S LESSONS

The 1971 ban of cigarette advertising on radio and TV was a controversial attack on the freedom of commercial speech. A lot of things were tried that well meaning people felt would work...most didn't. Fifteen years later we have the benefit of knowing what worked and what didn't. We are fortunate also to have fourteen years of experience with the prohibition of alcohol instituted by the eighteenth amendment between 1920 and 1933. As you are aware that didn't work either.

In reality the per capita consumption of cigarettes increased immediately following the advertising ban in 1971. You will also be interested to know that cigarettes are today the most widely advertised product in America with an advertising expenditure of $1.5 billion dollars a year. Smoking among women and youngsters is increasing...with no broadcast advertising.

Cigarette smoking is now increasing among youngsters that are not old enough to have seen or heard the first piece of broadcast cigarette advertising. That increase is in spite of bolder and more menacing warnings printed on cigarette packs and cartons.

As you are aware the eighteenth amendment banned the manufacturing and sale of alcoholic beverages. Social reformers of that time linked alcoholic beverages with "poverty," "prostitution," "immigrant culture," and "boss rule." Fortunately, automobiles were a new toy of the period...not the machines they are today. The Women's Christian Temperance Union (WCTU) and the American

Anti-saloon League were much in the news and were very successful in achieving their goal of making alcohol unconstitutional.

Historians agree that no law in American history was more unpopular or more generally violated than prohibition. Enforcement was impossible. Prohibition helped make Al Capone and Dutch Schultz political and economic titans of their time. Crime ran rampant. Prohibition cost millions for enforcement, administration and tax dollars were lost.

ONLY AMENDMENT TO BE REPEALED

The eighteenth amendment was repealed December 5, 1933, with the twenty-first amendment. It is the only United States constitutional amendment to ever be repealed. And here we go considering prohibition again.

You need to remember that when cigarette advertising was banned on radio and television...cigarette consumption increased. When alcohol consumption became unconstitutional...per capita consumption of alcohol increased. Neither ban achieved its announced goal.

FREEDOM OF COMMERCIAL SPEECH

Before we leave this issue of constitutionality I really need to make this point. Many of my contemporaries were at somewhat of a loss as to what I could say to you here today. It was their feeling that an emotional appeal to stop alcohol abuse and drunk driving was as American as motherhood and apple pie and tough to beat with simple reason. For me it goes right back to the Constitution.

The very first amendment says it all. I believe that the first amendment gives us freedom of commercial speech as long as we are promoting a lawful product in a non-deceptive straightforward manner. To the best of my knowledge all the beer and wine advertising that is run on my station is a straightforward and well-conceived effort to best sell a legal product to legal buyers. The twenty-first amendment makes beer and wine legal. It is that simple. That is the bottom line.

AVAILABLE STUDIES

Fortunately we not only have first hand experiences with prohibitions but with studies done on the relationships of education and advertising impact on use and/or consumption.

The 1978 study of the National Highway Traffic Safety Administration gathered the existing knowledge on alcohol and highway safety in the United States. The study concluded that public information campaigns can increase the public's knowledge about driving laws, understanding the effects alcohol has on the body and on driving skills. The campaigns relating the risks of crashing while drinking and the risk of law enforcement action were particularly effective they found. When used in combination with other approaches the study concluded that public information and education campaigns, in combination with legal and health-oriented approaches, have been a major factor in the reduction of alcohol related crashes.

NOW ABOUT CSPI

By the way of rebuttal, several issues made in publications of The Center for Science in the Public interest need to be set clear.

As impressive as a petition signed by up to a million people might seem, that is less than one-half of one percent of the people in the country. The petition, as most petitions are want to be, was not objectively worded...and specifically to the point of view that if you were against alcohol abuse and drunk driving you were ready to sign the petition.

SIGNERS DESIRED TO STOP DRUNK DRIVING

BROADCASTERS WANT TO STOP DRUNK DRIVERS

How many petition signatures could be generated if it were announced that professional and collegiate sports, as we know them today, could be directly reduced upon the prohibition of beer and wine advertising on free television? A million...or more?

SPORTS WILL BE CUT BACK

A couple of sobering thoughts here. How might prohibition of beer and wine advertising affect sports? It won't remove it entirely. Sports will be reduced. Some will move to pay television. Many of the free sports you see today will simply have to be discontinued.

CUT REVENUES - INCREASE EDUCATION

The STOP MARKETING ALCOHOL ON RADIO AND TV plan is to ban alcohol advertising in radio and TV and then to solicit media support to educate the public. That doesn't compute! Effective educational campaigns are difficult when revenue is abruptly withdrawn.

EFFECTS ON CHILDREN

What about children being heavily influenced by alcohol advertising and public service? The Wall Street Journal recently reported that recent studies by Creative Research Associates, Inc. of Chicago, a group that normally works for: General Mills, Coca-Cola, Lever Brothers or Seagram's, was asked to assemble 18 boys and girls currently under 5 years of age.

Under the watchful eye of Audrey Eisenmann, a 39-year-old creative research vice president, many findings were mixed. Some definitive conclusions did emerge: all kids were adamant in their plans not to smoke cigarettes to the point of yelling about it. Their reasons included: "It turns your lungs brown," "It stinks," and "They are bad for your heart." All the same kids were dead set against drinking alcohol because: "after you drink, and you go out to drive, your brain is distracted and you crash." And, "you could die." PSA's were more effective than beer and wine advertising.

Beer and wine advertising is not programmed at children. Any good advertising agency is not going to program beer and wine advertising during the Saturday morning cartoons. They are going to know when the legal age buyers are watching television and they are going to buy advertising on that part of the day and during that part of the week. Radio and television sales persons are going to help them buy the best times to reach their audience. That's basic good business.

SPORTS FIGURES

And if you haven't watched one of those ads you ought to do so. You will never see anyone in a beer or wine advertisement drink the beverage and you won't see a current sports figure used in beer and wine advertising. You will, however, see current sports figures used in PSA's about alcohol abuse and drunk driving.

Don't think for a moment that an awful lot of people haven't made the distinction in their own minds between current sports figures displaying individual responsibility with alcohol and past sports figures promoting beer and wine.

ADOLESCENT EXPERIMENTATION

Big bold letters in a brochure of the Center for Science in the Public Interest indicate that 9% of six graders have used alcoholic beverages. As shocking as that figure may be to some, it's moderate to those who have dealt on a day-to-day basis with alcohol and drug abuse problems of 12 to 15 year olds. That is the age span of the greatest experimentation with drug and alcohol... with life in general. It's at this age that kids main-line peanut butter...that's right, main-line peanut butter, eat morning glory seeds, eat great amounts of nutmeg for the high, sniff glue...do a variety of unusual things to alter the senses. You will find none of these leisure pursuits advertised on broadcast.

Let's take the goals of the Center for Science in the Public Interest one by one and evaluate them. First they propose to ban all alcohol advertising on radio and television. That simply won't be effective. Second, they want to initiate an education program. That will be effective and is a program the broadcasters across Florida, and I am sure across the country, would be interested in continuing to support. They want to put warning labels on cans and bottles of beer and wine. As you are aware, the original warning on cigarettes was strengthened to: "Warning: The surgeon general has determined that cigarette smoking is dangerous to your health."

It's tough to prove it has any impact.

Employees assistance programs are recommended. We have no comment because we have no first hand experience.

Drunk driving enforcement is something we both agree upon. Tuesday, in Orlando, a Florida legislator, Art Grindle, introduced a bill into the Florida House calling for one of the strongest drunk driving laws in the country. First offense would bring a mandatory $1,000 fine and mandatory prison term of ten days. A second offense would bring a minimum $5,000 fine and mandatory imprisonment of 30 consecutive days. Third time offenders would face a mandatory one-year prison term, and $10,000 fine. The bill is modeled after successful enforcement procedures in Germany, Japan and the Netherlands. The law was drafted and recommended to him by a broadcaster... Channel 6, WCPX in Orlando.

As their last recommendation The Center for Science in the Public Interest recommends higher taxes. That's not unique.

THE ANSWERS

What we are really here today to do is to talk about the solutions, the answers to the problems we face. I'm delighted to tell you that in Florida we have already been doing a lot that we can be very proud of. Many states are doing as much. Although the first results of a statewide survey are just beginning to trickle in, the responses received indicate that over 894 hours and 36 minutes or 107,352 30-second spots were devoted to alcohol abuse and drunk driving PSA's in Florida during 1984. Understand that was only 40 stations out of 446 radio and television broadcasters in Florida. We will share final totals with you as they become available to us.

You need to know that during the past holiday season the radio broadcasters in Dade and Broward Counties pledged and ran well over $300,000 dollars worth of PSA's dealing with alcohol abuse and drunk driving. Last year Broward County reported 13 fatalities due to alcohol related accidents. This year they reported not one fatality due to alcohol related accidents.

WFTV, Channel 28 in Tampa, is planning a live 2-hour presentation covering the entire spectrum of the alcohol issue. The program will be a state-wide effort aired simultaneously in at least each of the major Florida markets: Miami, Tampa/St. Petersburg, Orlando/Daytona Beach, Mobile/Pensacola, Jacksonville, West Palm Beach, Ft. Myers/Naples, Tallahassee, Gainesville and Panama City. The program is planned to be uplinked to satellite and made available to these markets and any others that wish to participate. A toll-free phone line could be added to allow persons from all over the State to call in with questions and answers.

Our Florida Association of Broadcasters Executive Director is now working with the Florida PTA on their drug awareness week (March 3 - 9) to develop public service spots and to develop other programming. We will be enhancing communications between local PTA's and their local radio and television broadcasters.

Many Florida radio and TV broadcasters are stepping up participation in high school assembly programs with their radio and television on-air personalities. Many radio stations are continuing to work with the Florida Highway patrolmen in successful programs where a disc jockey continues to take increased measured portions of alcohol during his or her on-the-air shift. Listeners are able to determine the DJ's inebriation and the slurring of words and inability to function as he or she is telling listeners about feelings, reactions and the ability to do a job that they know the DJ is well-qualified to do.

A radio station in Tampa has initiated a "safe ride line" opened to callers realizing they have had too much to drink to drive. The station calls a cab for the inebriated caller. The same radio station is encouraging their lounge advertisers to promote the "safe ride line" in their advertising. A Jacksonville station completed a two-part documentary, "DWI-License-to-Kill." A Pensacola radio station received 1,133 pledges during a recent weekend, with callers promising not to drive while drunk - ever. The program started at 4 p.m. Friday and ended at 6 p.m. Saturday. The Florida Association of Broadcasters is establishing contact with Bacchus, a university alcohol abuse program headquartered at the University of Florida in Gainesville.

A large portion of every FAB newsletter is devoted to promotional ideas, suggestions and resources for PSA's and other programming on alcohol abuse and drunk driving. Much of this information is gained from other state broadcast associations. The newsletter also shares self-imposed policies established by our own members that are refusing to accept advertising promoting two-for-one drinks, free drinking games, and other irresponsible happy-hour gimmicks.

FLORIDA LEGISLATIVE IMPACT

At the last check there were 10 bills pre-filed in the Florida House and six in the Florida Senate dealing with alcohol abuse and drunk driving. Raising the drinking age to 21 in Florida is imminent.

Pre-filed bills: increase the liability for selling alcoholic beverages, limit happy-hours, make driving under the influence and driving while intoxicated criminal traffic offenses, prohibit the consumption of alcoholic beverages by any passenger in a motor vehicle, prohibit an unopened container in a car and provide stiff fines. Other bills on these issues will be filed.

A convenience store chain is under close scrutiny by the State of Florida for allegedly selling alcohol to minors. Additional violations will result in the State pulling the company's license to sell beer and wine.

PERSONAL IMPACT

I want to leave you with this personal observation and perhaps as telling as anything I've set forth here this morning. Our station is planning its 30th anniversary celebration at our offices located 20 miles north of Tallahassee, Florida. We are not serving alcoholic beverages. A year ago, perhaps we might have. Our awareness has been elevated and we attempt through our 30th anniversary celebration to elevate the awareness of others.

There are volumes of successful public service and documentary programs that are being, and will be, run by Florida broadcasters. The bottom line is we can do a magnificent job of educating the public about the problems of alcohol abuse and drunk driving. Our job can be made easier and many times more effective with the assistance of SMART, the PTA, and all those who wish to join together to help conquer this problem of alcoholism and drunk driving. As I mentioned at the very beginning broadcasters are a very large part of the solution... we're not the problem. All the people gathered in this room today can work together to help solve a very big problem. Prohibition isn't the answer. It doesn't work. It hasn't before. It won't now. Education will work. Smoking is up...education is down. Alcohol consumption is down...alcohol PSA's are abundant.

A partial ban requiring equal time for anti-alcohol PSA's won't be effective and will be even more costly than a total ban.

In addition, the precedent would be set for eventually prohibiting spots for sugar, salt, over-the-counter drugs, etc. on a path to the further prohibition of the freedom of commercial speech.

We need to work together to resolve this very massive problem of alcohol abuse and drunk driving. Elizabeth Dole, Secretary of the

Department of Transportation, acknowledges that broadcast PSA's can help solve our problem. Researcher John Noble of The National Centers for Disease Control recently reported young drinking drivers lost 625 fewer lives in 1983 than 1982. The trend is in the right direction. Broadcast education we know will accelerate that trend and will make a difference. We need time to prove that to you.

In conclusion I close with the words of JUSTICE LOUIS BRANDEIS, former U.S. Supreme Court Justice, "THE CURE OF THE ILLS OF SPEECH OF WHICH WE DISAPPROVE IS MORE SPEECH, NOT INFORCED SILENCE."

Lady and gentlemen, I thank you for your attention.

DRUNK DRIVING AND ALCOHOL ABUSE REPORT
WCTV - TALLAHASSEE, FLORIDA
1984

PSAs RUN DURING 1984: 931 (71 in prime time)
Of this total, 210 (18 in prime time) Florida Highway Safety PSAs ran in 1984. These spots were produced by WCTV in 1983 and a heavy schedule ran in all time periods during the last six (6) months of 1983.

SPECIAL BROADCASTS OR NEWS PIECES:
16 - 6 minute features ran on "The Good Morning Show"
114 - stories ran on "Eyewitness News"

PSAs AND/OR PROGRAM PLANS FOR 1985: Probable increase

POLITICAL ACTION: Frank Flynn, Vice-President and General Manager of WCTV and Chairman of the Florida Association of Broadcasters Alcohol and Drug Abuse Committee, has taken an active role. Mr. Flynn was the only person from Broadcasting to testify at the recent U. S. Senate Committee Hearings.

STATE FAB: As stated above, Mr. Flynn leads an active program dealing with the issue of alcohol abuse and education through broadcast media by all FAB members.

M.A.D.D./S.A.D.D.: WCTV has taken a very active tie-in role with alcohol related programming. As a result of WCTV's tie-in on the CBS "S.A.D.D." special movie (which WCTV delayed and ran in prime time, Saturday at 7:00PM), local chapters are in the process of being formed throughout South Georgia and North Florida. Bob Anastas, founder of S.A.D.D., will come to Tallahassee in March for a Regional Meeting. Additionally, WCTV did an all-out tie-in campaign in connection with the airing of "NOT MY KID". Toll-free Hotline numbers in each of the cities in WCTV's coverage area were broadcast after the movie and for the two weeks following the airing. WCTV has been commended for their actions in this regard by viewers, community groups and agencies. Also, WCTV carried all Capital Cities Family Specials that dealt with alcohol abuse for the last four (4) years.

OTHER: WCTV staff members have spoken on the subject of alcohol and drug abuse to groups outside of the station. WCTV has donated production services for public service announcements. A staff member served on the Florida HRS Alcohol and Drug Abuse Awareness Campaign Review Committee.

STATE OF FLORIDA
DEPARTMENT OF VETERAN AND COMMUNITY AFFAIRS
DIVISION OF PUBLIC SAFETY PLANNING AND ASSISTANCE

BOB GRAHAM
Governor

JOAN M. HEGGEN
Secretary

BOB WILKERSON
Director

June 10, 1983

Mr. Jerry Williams
Program Manager
WCTV Television Station
Post Office Box 3048
Tallahassee, FL 32303

Dear Mr. ~~Williams~~ Jerry:

This is to express our appreciation for the production work which you and your staff performed during the previous nine months in developing the series of public service announcements relating to the new DUI law. The responses that we have been receiving from television stations throughout the State have been very favorable. Furthermore, telephone surveys conducted by the Florida State University indicate that public knowledge levels rose significantly during the campaign. The PSA's constituted the campaign's major thrust. Your staff was very professional, they were extremely cooperative, and responded to our needs with celerity, producing a high quality series of spots at a reasonable cost.

Thanks again for your efforts in producing the announcements and we look forward to working with WCTV in the future.

Sincerely,

Sandra

Sandra M. Whitmire
Chief, Bureau of Highway Safety

SMW/rll

WCTV PUBLIC AFFAIRS

PUBLICITY REPORT

DATE DEC , 19 84

WCTV HAS RECEIVED PUBLICITY IN THE FOLLOWING MANNER:

NEWSPAPER (List name)

MAGAZINE (List name)

OTHER FL HRS ALCOHOL & DRUG ABUSE REVIEW COMMITTEE

COMMENTS:

Lynn Baldwin served on the FL HRS ALCOHOL & DRUG ABUSE REVIEW COMMITTEE for the state of Florida during the month of December. Approximately 60 hours was devoted to this project. The contact is Chuck Rabout 488-0900.

WCTV PUBLIC AFFAIRS

PUBLICITY REPORT

DATE DEC 19, 19 84

WCTV HAS RECEIVED PUBLICITY IN THE FOLLOWING MANNER:

NEWSPAPER (List name) ________

MAGAZINE (List name) ________

OTHER SADD FOUNDERS MEETING

COMMENTS:

Lynn Baldwin attended the STUDENTS AGAINST DRIVING DRUNK FOUNDERS MEETING. The organization of SADD in local area schools was brought about because of WCTV's envolvement in the CBS SCHOOLBREAK SPECIAL ON SADD. Because of WCTV's involement, chapters are being founding throughout North Florida and South Georgia. The contacts are Peggy Carlson (893-2248)...Betty Sue Veal...Harold Carraway, Kiwansis Gov of Florida. The meeting was held in Tallahassee, Dec. 19 from 12N until 1:30PM.

[EDITOR'S NOTE: In the interest of economy and printing limitations, additional survey material submitted for the record by Mr. Wirth was retained in the files of the committee where it may be researched upon request.]

[A videotape was shown.]

Senator EAGLETON. Madam Chairman, could we get from Mr. Flynn for the record—those were films produced by your TV station, in cooperation, you said, with the Governor's office, et cetera.

Mr. FLYNN. Yes.

Senator EAGLETON. So it would be a simple matter for you to supply us with the time slots in which those ran on your own station; would it not?

Mr. FLYNN. Of course.

Senator EAGLETON. Fine. Would you get us that for the record?

Mr. FLYNN Pardon me?

Senator EAGLETON. Could we have that for the record?

Mr. FLYNN. Sure, sure.

Senator HAWKINS. I suggest you do them over; the gentleman should not wear a coat in Florida. [Laughter.]

Senator HAWKINS. Steve Lambright is with us today, vice president and group executive, Anheuser-Busch. We welcome you.

Mr. LAMBRIGHT. Thank you, Senator Hawkins. Madam Chairman and members of this committee, my name is Stephen K. Lambright. I am vice president and group executive of Anheuser-Busch Co.'s, and we very much appreciate the opportunity to be here today.

A written statement which sets out our position in detail will be submitted. However, I would like to summarize our major concerns on this vital issue. Let us start by establishing two basic and very important facts.

First, every member of our industry agrees that alcohol abuse is a serious problem. And, second, we are doing something about it. Many companies, including Anheuser-Busch, have undertaken a wide variety of activities to reduce alcohol abuse. Mr. Shea has already discussed some of the industrywide positive programs, and we have submitted a book that contains descriptions of the many activities through which Anheuser-Busch directly confronts the alcohol abuse problem.

Since time constraints will not permit me to detail each of these programs today, I urge the committee to review these materials, as they provide a clear picture of our commitment to reducing the alcohol abuse problem.

In addition to those programs outlined in the handout materials, programs which are already well underway, we received just last week verbal permission from the BATF to use athletes in ads which promote responsible consumption, and since that time we have begun to develop such TV and radio spots.

While we certainly recognize the importance of the alcohol abuse problem, we cannot stand by and see Government policy shaped by an emotionalism that is far removed from the facts. Let us stop to remember that it is only a very small minority of consumers who abuse alcohol. Tens of millions of Americans enjoy beer and wine responsibly and in moderation.

Let us also remember that the consumption of alcohol in this country is already highly regulated. Literally thousands of laws and regulations govern every aspect of beer sales, and the BATF is expected shortly to issue new proposed regulations that should address many of the concerns of our critics, particularly the use of athletes in television advertising.

Our industry and the public will have the opportunity to comment and participate in the regulatory process, and we should give this process a chance to work. We should also recognize that people who abuse alcohol are, in fact, circumventing this same highly regulated system, a system that is already more tightly controlled than virtually any other aspect of life in America. And we are just fooling ourselves if we think that banning advertising will change their abusive behavior.

Strip away unfounded opinion and the facts which remain demonstrate that an ad ban just won't work. Other witnesses have testified to the science on this point and I will discuss the factual evidence in my written testimony.

For now, let me just say that the experience of other countries where there have been ad bans or ad restrictions, studies on the causes of drug and alcohol abuse, and research on the effect of advertising on behavior, all clearly point to the conclusion that an ad ban will have no impact on alcohol abuse.

Even the Center for Science in the Public Interest, one of the most vocal of the ad ban proponents, has admitted that, and I quote, "The available literature does not demonstrate a causal connection between advertising and harm." It seems ironic that CSPI, which claims to use science in the public interest, is, in effect, asking Government to ignore the majority of the scientific evidence and base public policy on ideology and speculation.

There is, in fact, no compelling reason to think that an ad ban will work, but there are very real concerns that this form of social engineering would do serious harm. Through beer advertising, consumers obtain a variety of useful information about our products.

For example, in 1984, Anheuser-Busch introduced nationally a reduced alcohol product, our LA brand. In the absence of television advertising, it would have been virtually impossible for us to create consumer awareness of this new product and its characteristics.

Restricting the consumer's right to such information raises serious constitutional questions. Such broad prohibitions on the freedom of consumers to receive truthful information about a lawful product should not be lightly imposed.

An ad ban would also be harmful and unfair, since it would represent a statement by Government to 100 million consumers that they are doing something wrong merely by drinking a beer. An advertising ban would brand the moderate drinker as irresponsible and would leave the abusive drinker untouched.

Certainly, we don't have all the answers. But we do know that this complex problem is not going to be solved through simplistic approaches such as an advertising ban or mandatory counteradvertising.

We are committed to real solutions, solutions that help the abusive drinker rather than stigmatize the responsible one. Peer pressure, for example, is a major influence on young people. Students Against Driving Drunk and B'nai B'rith Against Drunk Driving are examples of effective programs, where peer pressure is turned into a positive force to foster acceptable behavior.

With regard to role models, who better than parents and teachers setting examples in school and at home, teaching appropriate attitudes through education and awareness programs? Other effective solutions are found in better training for the servers of alcohol on how to deal with problem situations, and tougher enforcement of existing laws—programs that attack abuse head-on and with proven effect.

Our position is a simple one. We recognize the alcohol abuse problem and will continue working toward effective solutions. We are proud of our contributions to society and of the millions who sensibly consume our products.

We do not apologize for our products or the way we sell them. We therefore oppose simplistic solutions that will do nothing more than make a few people feel good inside because they have done something.

We are anxious to continue working with others in finding and implementing programs that will help solve the alcohol abuse problems, but for the reasons previously stated, we respectfully submit that an advertising ban would be of no help in this effort.

Thank you.

[The prepared statements of Mr. Lambright follows:]

TESTIMONY OF STEPHEN K. LAMBRIGHT
VICE PRESIDENT AND GROUP EXECUTIVE
ANHEUSER-BUSCH COMPANIES, INC.
BEFORE THE SENATE SUBCOMMITTEE ON
ALCOHOL AND DRUG ABUSE
FEBRUARY 7, 1985

SENATOR HAWKINS AND MEMBERS OF THE SUBCOMMITTEE ... MY NAME IS STEPHEN K. LAMBRIGHT. I AM VICE PRESIDENT AND GROUP EXECUTIVE OF ANHEUSER-BUSCH COMPANIES, AND WE VERY MUCH APPRECIATE THE OPPORTUNITY TO BE HERE TODAY.

A WRITTEN STATEMENT WHICH SETS OUT OUR POSITION IN DETAIL WILL BE SUBMITTED. HOWEVER, I WOULD LIKE TO SUMMARIZE OUR MAJOR CONCERNS ON THIS VITAL ISSUE.

LET'S START BY ESTABLISHING TWO BASIC -- AND VERY IMPORTANT -- FACTS:

FIRST, EVERY MEMBER OF OUR INDUSTRY AGREES THAT ALCOHOL ABUSE IS A SERIOUS PROBLEM. AND SECOND, WE'RE DOING SOMETHING ABOUT IT.

MANY COMPANIES, INCLUDING ANHEUSER-BUSCH, HAVE UNDERTAKEN A WIDE VARIETY OF ACTIVITIES TO REDUCE ALCOHOL ABUSE. MR. SHEA HAS ALREADY DISCUSSED SOME OF THE INDUSTRY-WIDE

POSITIVE PROGRAMS, AND WE HAVE SUBMITTED A BOOK THAT CONTAINS DESCRIPTIONS OF THE MANY PROGRAMS THROUGH WHICH ANHEUSER-BUSCH DIRECTLY CONFRONTS THE ALCOHOL ABUSE PROBLEM.

SINCE TIME CONSTRAINTS WILL NOT PERMIT ME TO DETAIL EACH OF THESE PROGRAMS TODAY, I URGE THE COMMITTEE TO REVIEW THESE MATERIALS, AS THEY PROVIDE A CLEAR PICTURE OF OUR COMMITMENT TO REDUCING THE ALCOHOL ABUSE PROBLEM.

IN ADDITION TO THOSE PROGRAMS OUTLINED IN THE HANDOUT MATERIALS -- PROGRAMS WHICH ARE WELL UNDERWAY -- WE RECEIVED JUST LAST WEEK VERBAL PERMISSION FROM THE BATF TO USE ATHLETES IN ADS WHICH PROMOTE RESPONSIBLE CONSUMPTION, AND SINCE THAT TIME WE HAVE BEGUN DEVELOPMENT OF SUCH TV AND RADIO SPOTS.

WHILE WE CERTAINLY RECOGNIZE THE IMPORTANCE OF THE ALCOHOL ABUSE PROBLEM ... WE CANNOT STAND BY AND SEE GOVERNMENT POLICY SHAPED BY AN EMOTIONALISM THAT IS FAR REMOVED FROM THE FACTS.

LET'S STOP TO REMEMBER THAT IT IS ONLY A VERY SMALL MINORITY OF CONSUMERS WHO ABUSE ALCOHOL; TENS OF MILLIONS OF AMERICANS ENJOY BEER AND WINE RESPONSIBLY, AND IN MODERATION.

LET'S ALSO REMEMBER THAT THE CONSUMPTION OF ALCOHOL IN THIS COUNTRY IS ALREADY HIGHLY REGULATED. LITERALLY THOUSANDS OF LAWS AND REGULATIONS GOVERN EVERY ASPECT OF BEER SALES.

AND THE BATF IS EXPECTED SHORTLY TO ISSUE NEW PROPOSED REGULATIONS THAT SHOULD ADDRESS MANY OF THE CONCERNS OF OUR CRITICS, PARTICULARLY THE USE OF ATHLETES IN TELEVISION ADVERTISING. OUR INDUSTRY AND THE PUBLIC WILL HAVE THE OPPORTUNITY TO COMMENT AND PARTICIPATE IN THE REGULATORY PROCESS, AND WE SHOULD GIVE THIS PROCESS A CHANCE TO WORK.

WE SHOULD ALSO RECOGNIZE THAT PEOPLE WHO ABUSE ALCOHOL ARE, IN FACT, CIRCUMVENTING THIS SAME, HIGHLY REGULATED SYSTEM ... A SYSTEM THAT IS ALREADY MORE TIGHTLY CONTROLLED THAN VIRTUALLY ANY OTHER ASPECT OF LIFE IN AMERICA. AND WE ARE JUST FOOLING OURSELVES IF WE THINK THAT BANNING ADVERTISING WILL CHANGE THEIR ABUSIVE BEHAVIOR.

STRIP AWAY UNFOUNDED OPINION, AND THE FACTS WHICH REMAIN DEMONSTRATE THAT AN AD BAN JUST WON'T WORK. OTHER WITNESSES HAVE TESTIFIED TO THE HARD SCIENCE ON THIS POINT, AND I WILL DISCUSS THE FACTUAL EVIDENCE IN MY WRITTEN TESTIMONY.

FOR NOW, LET ME JUST SAY THAT THE EXPERIENCE OF OTHER COUNTRIES WHERE THERE HAVE BEEN AD BANS OR AD RESTRICTIONS, STUDIES ON THE CAUSES OF DRUG AND ALCOHOL ABUSE, AND RESEARCH ON THE EFFECT OF ADVERTISING ON BEHAVIOR ... ALL

CLEARLY POINT TO THE CONCLUSION THAT AN AD BAN WILL HAVE NO IMPACT ON ALCOHOL ABUSE.

EVEN THE CENTER FOR SCIENCE IN THE PUBLIC INTEREST -- ONE OF THE MOST VOCAL OF THE AD BAN PROPONENTS -- HAS ADMITTED THAT ... AND I QUOTE ... "THE AVAILABLE LITERATURE DOES NOT DEMONSTRATE A CAUSAL CONNECTION BETWEEN ADVERTISING AND HARM."

IT SEEMS IRONIC THAT CSPI ... WHICH CLAIMS TO USE SCIENCE IN THE PUBLIC INTEREST ... IS IN EFFECT ASKING GOVERNMENT TO IGNORE THE MAJORITY OF THE SCIENTIFIC EVIDENCE AND BASE PUBLIC POLICY ON IDEOLOGY AND SPECULATION.

THERE IS, IN FACT, NO COMPELLING REASON TO THINK THAT AN AD BAN WILL WORK. BUT THERE ARE VERY REAL CONCERNS THAT THIS FORM OF SOCIAL ENGINEERING WOULD DO SERIOUS HARM.

THROUGH BEER ADVERTISING, CONSUMERS OBTAIN A VARIETY OF USEFUL INFORMATION ABOUT OUR PRODUCTS. FOR EXAMPLE, IN 1984 ANHEUSER-BUSCH INTRODUCED NATIONALLY A REDUCED ALCOHOL PRODUCT ... OUR LA BRAND. IN THE ABSENCE OF TELEVISION ADVERTISING, IT WOULD HAVE BEEN VIRTUALLY IMPOSSIBLE FOR US TO CREATE CONSUMER AWARENESS OF THIS NEW PRODUCT AND ITS CHARACTERISTICS.

RESTRICTING THE CONSUMER'S RIGHT TO SUCH INFORMATION RAISES SERIOUS CONSTITUTIONAL QUESTIONS, SUCH BROAD PROHIBITIONS ON THE FREEDOM OF CONSUMERS TO RECEIVE TRUTHFUL INFORMATION ABOUT A LAWFUL PRODUCT SHOULD NOT BE LIGHTLY IMPOSED.

AN AD BAN WOULD ALSO BE HARMFUL -- AND UNFAIR -- SINCE IT WOULD REPRESENT A STATEMENT BY GOVERNMENT TO 100 MILLION CONSUMERS THAT THEY ARE DOING SOMETHING WRONG MERELY BY DRINKING A BEER. AN ADVERTISING BAN WOULD BRAND THE MODERATE DRINKER AS IRRESPONSIBLE; IT WOULD LEAVE THE ABUSIVE DRINKER UNTOUCHED.

CERTAINLY, WE DON'T HAVE ALL THE ANSWERS. BUT WE DO KNOW THAT THIS COMPLEX PROBLEM IS NOT GOING TO BE SOLVED THROUGH SIMPLISTIC APPROACHES SUCH AS AN ADVERTISING BAN OR MANDATORY COUNTER-ADVERTISING. WE ARE COMMITTED TO REAL SOLUTIONS ... SOLUTIONS THAT HELP THE ABUSIVE DRINKER, RATHER THAN STIGMATIZING THE RESPONSIBLE ONE.

PEER PRESSURE, FOR EXAMPLE, IS A MAJOR INFLUENCE ON YOUNG PEOPLE. STUDENTS AGAINST DRIVING DRUNK AND B'NAI B'RITH AGAINST DRUNK DRIVING ARE EXAMPLES OF EFFECTIVE PROGRAMS WHERE PEER PRESSURE IS TURNED INTO A POSITIVE FORCE TO FOSTER ACCEPTABLE BEHAVIOR.

WITH REGARD TO ROLE MODELS, WHO BETTER THAN PARENTS AND TEACHERS SETTING EXAMPLES IN SCHOOL AND AT HOME -- TEACHING

APPROPRIATE ATTITUDES THROUGH EDUCATION AND AWARENESS PROGRAMS.

OTHER EFFECTIVE SOLUTIONS ARE FOUND IN BETTER TRAINING FOR THE SERVERS OF ALCOHOL ON HOW TO DEAL WITH PROBLEM SITUATIONS, AND TOUGHER ENFORCEMENT OF EXISTING LAWS ... PROGRAMS THAT ATTACK ABUSE HEAD-ON ... AND WITH PROVEN EFFECT.

OUR POSITION IS A SIMPLE ONE. WE RECOGNIZE THE ALCOHOL ABUSE PROBLEM AND WILL CONTINUE WORKING TOWARD EFFECTIVE SOLUTIONS. WE ARE PROUD OF OUR CONTRIBUTIONS TO SOCIETY AND OF THE MILLIONS WHO SENSIBLY CONSUME OUR PRODUCTS. WE DO NOT APOLOGIZE FOR OUR PRODUCTS OR THE WAY WE SELL THEM. WE THEREFORE OPPOSE SIMPLISTIC SOLUTIONS THAT WILL DO NOTHING MORE THAN MAKE A FEW FEEL GOOD INSIDE BECAUSE THEY HAVE "DONE SOMETHING".

WE ARE ANXIOUS TO CONTINUE WORKING WITH OTHERS IN FINDING AND IMPLEMENTING PROGRAMS THAT WILL HELP SOLVE THE ALCOHOL ABUSE PROBLEM. BUT FOR THE REASONS STATED ABOVE, WE RESPECTFULLY SUBMIT THAT AN ADVERTISING BAN WOULD BE OF NO HELP IN THIS EFFORT.

THANK YOU VERY MUCH.

WRITTEN TESTIMONY SUBMITTED BY
STEPHEN K. LAMBRIGHT
VICE PRESIDENT AND GROUP EXECUTIVE
ANHEUSER-BUSCH COMPANIES, INC.
TO THE U.S. SENATE SUBCOMMITTEE ON
ALCOHOLISM AND DRUG ABUSE
FEBRUARY 7, 1985

In addition to the oral testimony given at the hearing on February 7, 1985, and the book entitled "Anheuser-Busch Programs to Promote Responsible Consumption" (both of which were submitted for the record prior to the hearing date and which are incorporated by reference herein), I respectfully submit, for the record, the following written testimony which sets out the position of Anheuser-Busch Companies in greater detail:

INTRODUCTION

Anheuser-Busch Companies, Inc., shares with all responsible members of our society a concern over the problems associated with alcohol abuse. Indeed, as a major producer of beer, our company has taken a leadership role through a wide variety of programs to encourage the appropriate use of alcoholic beverages.

The issue before the Subcommittee on Alcoholism and Drug Abuse is not whether the misuse of alcohol is a problem, but whether a specific course of action -- a ban on broadcast advertising for beer and wine -- will help reduce the abuse of alcohol in this country.

Proponents of an ad ban have assumed a somewhat curious position. They admit that they cannot prove a relationship between advertising and abuse. But then they ask members of the subcommittee to forego normal prudence by creating legislation based on opinion, rather than fact. Indeed, some ad ban proponents imply that, unless legislators support their agenda, they are "soft" on alcohol abuse.

An impartial assessment shows that an ad ban would raise serious Constitutional questions; a ban would implicitly stigmatize responsible consumption, while leaving abusers untouched; it would significantly disrupt not only the beer and wine industries, but the broadcasting industry as well; and it could impose a significant cost on millions of Americans by forcing them to pay for entertainment that is currently available at no cost.

In addition to these damaging consequences, an advertising ban simply will not have an impact on alcohol abuse. Our testimony will demonstrate that:

- o The purpose and effect of beer advertising is to create brand loyalty -- not to increase the total amount of beer consumed in our society.
- o Beer advertising has no significant impact on overall consumption, and does not cause abusive drinking or drinking among underage individuals.

- Advertising bans imposed in other countries have failed to reduce alcohol abuse.

Ad ban proponents have chosen to ignore these facts -- to disregard both the vast preponderance of scientific evidence and real world experience to arrive at a predetermined solution -- a solution that seeks to reduce problem drinking by attempting to reduce all drinking. Certainly a more targeted approach, one that respects the First Amendment and the rights of consumers, is a much wiser course of action.

THE PURPOSE AND EFFECT OF BEER ADVERTISING

The brewing industry is one of the most competitive anywhere -- and broadcast advertising has played a key role in that competition. Why? Because radio and television advertising can encourage consumers of legal drinking age to select the particular brands of one brewer over those of his competitors.

Basic demographic, economic and sociological factors determine the size of the total marketplace. Advertising -- along with product quality, price, service and availability -- can only help determine how that marketplace is divided among competitors.

The role of advertising in allocating sales among competitors -- rather than increasing the size of the market -- has been recognized in a variety of works. For example, an econometric study by Duffy (1981) on the influence of prices, income and advertising on the demand for alcoholic beverages that appears in the *British Journal of Alcohol and Alcoholism* concluded:

> "We suspect that the main effect of drink advertising is to maintain or, if possible, increase a brand's market share. Most of the advertising messages tend to 'cancel out' each other in the competitive struggle between firms, so that there occurs only a small extension (if any) of total demand for the product. Furthermore, advertising on any particular type of drink must compete with advertising on all other consumer goods and services, and this will weaken its impact".

These findings are consistent with earlier studies by Peles (1971), Jacoby, et al. (1971), Woodside (1972) and others.

THE EFFECT OF BEER ADVERTISING ON CONSUMPTION AND ABUSE

Ad ban proponents have been unable to identify or explain *any* direct linkage between advertising and abuse. Instead, they have been forced to argue that advertising increases overall consumption ... which they claim leads to increased abuse. But even here, no causal relationship has been demonstrated.

In fact, no scientific studies indicate that advertising is a primary determinant of overall consumption ... and even those studies that find a statistical relationship concede that it is, *at most*, a very limited and minor factor.

For example, a 1984 article by Kohn et al. in the *Journal of Advertising* concluded that "the present data provide *no evidence* that exposure to alcohol advertising increases consumption either in the short or long-term" (emphasis supplied). Bourgeois and Barnes, in the *Journal of Advertising Research* (1979), conclude that there is little evidence to support the claim that per capita consumption is influenced by the volume of ads.

Similarly, Leventhal (1964) found that mass media advertising is unlikely to influence a nondrinker to drink, or a drinker to become an alcoholic.

In 1984 the prestigious Traffic Injury Research Foundation of Canada concluded that: "Advertising may have been used as a tool to retain or strengthen market share -- even so, consumption did not increase in the face of this very pervasive and intense advertising."

In addition to scientific studies, the experience of both the U.S and Canadian brewing industries demonstrate that there is no direct relationship between advertising expenditures and consumption -- much less abuse:

- In the past 35 years, U.S. per capita beer consumption grew most quickly between 1965 and 1975 -- a period of rapidly declining advertising expenditures by brewers.
- And since 1981, U.S. advertising expenditures have been rapidly increasing -- but consumption has declined.
- In Canada, advertising expenditures increased by 122% between 1975 and 1980. And yet, consumption remained essentially flat during that period.

In short, the evidence strongly indicates that advertising does *not* increase overall consumption to any measurable extent.

Does Increased Consumption Mean Increased Abuse?

Even if advertising were shown to prompt a small increase in overall consumption, ad ban proponents must then make a long logical leap to arrive at the position that increased consumption leads to increased abuse. Such a relationship has not been proven.

For example, Mulford and Fitzgerald (1983, 1984) studied the results of increased alcohol consumption in Iowa between 1961 and 1979. Their studies, reported in the *Journal of Studies on Alcohol*, found that while per capita consumption increased by 81% during the period, problem drinking -- as measured by several indicators -- remained unchanged.

The researchers found that:

> "The nature and magnitude of the alcohol problem is influenced by too many forces interacting in too complex a manner to be understood or solved by merely identifying and correcting a biological abnormality *or by formal efforts to control the total volume of alcohol consumed by the population*" (emphasis added).

Indeed, even the Center for Science in the Public Interest (CSPI) -- one of the most vocal ad ban proponents -- conceded in its petition to the Federal Trade Commission that "the available literature does not demonstrate a causal connection between advertising and harm." Moreover, CSPI acknowledges that "because many factors influence drinking behavior and overall alcoholic beverage consumption, definitive studies of the effects of advertising may be impossible to design."

If there is, in fact, an effect of beer advertising on alcohol abuse, why is it so difficult to isolate scientifically? If such alleged effects are at all substantial, given the extent of broadcast advertising, it should be easy -- not difficult -- to show a connection between beer advertising and alcohol abuse. The experience of the scientific community, however, runs in exactly the opposite direction.

Advertising and Sales Trends:
A Comparison of Beer and Distilled Spirits

The Center for Science in the Public Interest has also argued (testimony before the Senate Subcommittee on Alcoholism and Drug Abuse, Feb. 7, 1985) that the effect of beer and wine advertising on consumption is readily seen in the sales trends for distilled spirits in the United States. They assert that declining sales trends for liquor over the last decade is the direct result of that industry's practice of not using the electronic media; and they offer this as evidence that beer and wine advertising does, in fact, increase the demand for beer and wine.

This is typical of CSPI's casual willingness to distort statistical evidence on this issue. In effect, they have provided a half-truth.

It is accurate that the hard liquor industry does not advertise on radio and television; but *this practice dates from the repeal of Prohibition.* Therefore, an examination of consumption rates for beer and distilled spirits over the past decade does not nearly tell the whole story.

According to the *Fifth Special Report to the U.S. Congress on Alcohol and Health*, from the Secretary of Health and Human Services (1983), per capita spirits consumption grew more quickly than beer from 1950 through 1969. It is only since 1971 that beer's growth rate surpassed that of spirits. That is, in 20 of the last 34 years, spirits consumption has grown more quickly than beer. And this is despite the fact that beer was advertised on radio and television -- and spirits were not -- throughout the entire period.

Indeed, examination of sales trends in other countries indicates that similar shifts between alcoholic beverage categories occur independently of any advertising restrictions. For example, in Sweden (where advertising is banned) beer's share of the alcoholic beverage market declined 9.1 percent from 1970-1981, hard liquor's share increased 0.4 percent, and wine's increased 8.7 percent. In Norway, on the other hand (which also bans advertising), beer's share of the alcoholic beverage market increased 1.7 percent, and hard liquor's share declined 4.2 percent, and wine increased 2.5 percent. In Spain and Portugal, where all forms of alcoholic beverages can be advertised, beer's market share is up more than 5 percent, spirits is up very slightly, and wine is down significantly (*Alcoholic Beverage Taxation and Control Policies*, 1982). These shifts clearly have nothing whatsoever to do with advertising.

The shift in this country from spirits to beer and wine over the past decade has resulted from a variety of factors, one of which may well have been consumers' desires for "softer" alternatives to hard liquor ... products with less concentrated forms of alcohol. Within the beer industry itself, a significant shift occurred toward light beers (which contain both fewer calories and less alcohol) during the same period.

If advertising contributed at all to the shift away from liquor towards beer and wine, it simply demonstrates once again that the purpose of advertising is to gain market share ... in this case, between beverages within the overall alcoholic beverage market. It is also important to note that if such effect did, in fact, occur, it resulted in *lower* per capita ethanol consumption than would otherwise have been the case.

Far from a great and ongoing demonstration of the insidious effects of beer and wine advertising, the recent shift away from hard liquor is more accurately described as a shift in consumer preference towards lighter and more moderate alcohol beverages.

ADVERTISING CONTENT AND UNDERAGE DRINKING

Some critics have attacked brewers for the content of their ads, alleging that "lifestyle" commercials, and commercials using celebrities and/or athletes, tend to "glamorize" drinking and thus "entice" underage persons to drink. They have also suggested, without empirical backing, that there is a long process by which these images somehow accumulate psychologically over time.

Since the scientific evidence strongly indicates that advertising has little or no impact on overall consumption, it is difficult to see why the content of individual ads would come into question. Even so, an examination of available evidence on the impact of "lifestyle" ads is informative.

A 1984 study by Kohn et al. at the Addiction Research Foundation yielded results that "... fail to support the common concern about the alleged undue effectiveness of lifestyle advertisements."

In a study of 1,187 teenagers, Strickland (1982) found that there was "virtually no effect of exposure to televised alcohol beverage advertising on the level of consumption among teenagers in the overall sample."

More recently, a study conducted by Kohn and Smart (1984) at the Addiction Research Foundation in Toronto, Canada, exposed 125 male college students to beer advertisements in a variety of controlled situations. The researchers attack the notion that advertising effects accumulate over time, arguing that:

> "Our studies have both policy and methodological implications. First, *they do not support strong concern about the effects of televised beer advertising on a young male population*, even with ongoing immediate access to beer. Although moderate advertising exposure did increase consumption, *the effect was brief and evanescent* ... " (emphasis added).

The fact is, brewers use "lifestyle" depictions and athletes in their commercials because they appeal to beer drinkers ... and thus help the advertising campaign achieve its primary goal of brand selection/market share growth. While critics are very vocal about the alleged harms of such ads, they never mention the fact an advertising code is in effect, and has recently been strengthened, which insures that:

- o You will never see a person actually drinking ... much less abusing ... alcohol in a commercial.
- o You will never see a person in a drinking situation before or during any hazardous activity.
- o You will never see a commercial that implies that drinking leads to athletic or personal success.
- o You will never see a person in a drinking situation who is not visibly and obviously well above the legal drinking age.

- o You will never see a person in a situation that involves drinking while driving.

Our critics go to great lengths to ascribe insidious motivations to our advertising, and frequently stretch their interpretations of our advertising to the breaking point.

A good example is the Bud Light "Bring Out Your Best" campaign. Our critics suggest that this campaign tells people that they can "bring out their best" performance if they drink a beer. If the campaign is viewed, however, it is obvious that the commercials depict individuals who are meeting a challenge to bring out their own personal best ... and that in a parallel fashion Anheuser-Busch met a similar challenge to produce the best light beer on the market.

The campaign, of which we are justifiably proud, depicts sporting events because they provide a form of personal challenge with which beer drinkers can readily identify ... not in any effort to "glamorize drinking" or to suggest that athletic success depends in any way upon drinking. Such charges give little credit to the intelligence of the American public, and even less to our marketing department. An objective review of the campaign underscores the license which is often taken by many of our more vocal critics.

In this regard, it is worth quoting at some length from a World Health Organization paper by Marcus Grant, senior scientist, Division of Mental Health (1984):

> "... North American studies suggest that advertising is unlikely to recruit drinkers directly from those young people who are non-drinkers. It is more likely to influence particular styles and patterns of drinking, for those young people who already drink. One recent study from the United States showed that young people who were the heaviest drinkers, had also been exposed to most television drinks advertisements, and vice versa for the lightest drinkers. However, the amount of advertising influence was shown to be small, and much less than the influence which friends had on drinking. *This suggests that changes in advertising alone, would have very little direct impact on young people's drinking.*
>
> "In the same study, there was also an interesting relation between advertising exposure and those who were problem drinkers: they were found to have been exposed to less advertising than moderate drinkers. *This implied that advertisements might actually inhibit alcohol misuse, by reinforcing and encouraging norms of moderate, social drinking*" (emphasis added).

Causes of Underage Drinking

If advertising is not the reason, what *does* cause underage persons to drink? In a recent report on alcohol produced for the Congressional Office of Technology Assessment (1983), Dr. Leonard Saxe of Boston University concluded:

> "The most reliable predictor of drinking among youths is the drinking behavior of their parents. In 81% of families in which both parents drink, children also drink. In 72% of families with two abstaining parents, children do not drink. A number of socio-cultural influences predisposes young people toward drinking. These include residence in urban areas, divorced or separated parents, a poor parent-child relationship and high socio-economic status."

Saxe used 353 references in his discussions of why people drink and the causes of alcoholism. None of them referred to advertising as an important influence.

In fact, given the sophistication of children regarding advertising, it is easy to reject charges of "enticement" by beer commercials. A number of studies give evidence of early and appropriate learning with respect to discounting advertising. Indeed, the ability to recognize persuasive intent in advertising has been shown to be universally operative by the fifth grade ... an age well before children begin experimentation with alcohol or begin to drive (Robertson and Rossiter, 1974).

It is worth noting that statistics compiled by the University of Michigan in its annual poll of high school seniors show consumption rates for beer, wine and spirits have remained remarkably stable since 1975 -- despite large increases in beer and wine advertising. And those changes which are revealed through the poll are, in fact, toward *less* drinking by underage persons (Monitoring the Future Surveys, 1984)

Although much work remains in discouraging underage consumption of alcoholic beverages, there is *no* indication that an ad ban would help.

The "Michigan State" Studies

The major scientific evidence supporting the hypothesis of a relationship between advertising and underage consumption is found in the findings of Charles Atkin and Martin Block, two researchers at Michigan State University.

In an early survey (1981) of more than 1,000 teenagers and young adults, they claimed to find a small correlation between heavy exposure to alcohol advertising and heavy drinking patterns. However, the researchers were careful to state that: "These findings should be regarded as suggestive and tentative rather than definitive." They went on to point out that:

> "*The design of these studies does not enable cause and effect to be inferred.* If the analyses show that one or more variables are positively related (e.g., higher levels of reported advertising exposure are associated with higher levels of drinking), *it should not be concluded that one variable is necessarily causing the other.* It is possible that reverse causation may be operating (e.g., drinking may cause exposure, rather than exposure causing drinking), or that the two variables are related because of some common outside force" (emphasis added).

More recently, in an article that appeared in the *Journal of Communications* (1984), the same researchers concluded that peer influence appears to play a bigger role in beer and wine drinking than advertising, and that the statistical associations for beer were "moderate." But, the authors again pointed out that: "The limitations of this survey design require that caution be exercised in drawing causal inferences regarding advertising effects."

Importantly, they also noted that:

> "*Advertising is not necessarily the causal agent in the relationship.* Heavier drinkers may be motivated to attend to alcohol advertising, so that the positive relationship may be due to drinkers seeking ads rather than ads stimulating alcohol consumption" (emphasis added).

Thus, even those whose work has *suggested* a statistical correlation between advertising and underage consumption concede that they really don't know if a *causal* relationship exists. And even if such a causal relationship did exist, they conclude that it would be of secondary importance in comparison to other factors.

ADVERTISING BANS IN OTHER COUNTRIES

Banning advertising in an attempt to reduce alcohol abuse is not a new concept. Ad bans have been imposed in a variety of nations and across a wide spectrum of cultural settings and political systems ... with uniformly disappointing results.

In a comprehensive review of the effects of advertising regulation on consumption rates, the Traffic Injury Research Foundation of Canada (1984) closely examined data from eight countries. They conclude:

> "Thus, the results show two countries with reasonably high and similar per capita consumption, one of which prohibits advertising (Hungary), the other permits it across all forms of media for all beverage types (Australia); two countries have moderate levels of consumption -- one of these (Denmark) prohibits advertising, the other (Netherlands) permits it; three countries have low consumption rates -- two of these (Finland and Norway) prohibit advertising, one (Japan) has no restrictions.
>
> "*If advertising has effects on consumption, it is not evident in these data.*" (emphasis added).

Focusing on North America, the government of British Columbia banned advertising of alcoholic beverages for a 14-month period during 1971-72. A review of consumption trends during that period "... lent little support for the view that the B.C. advertising ban reduced alcohol consumption" (Smart and Cutler, 1976).

Similarly, looking at the beer advertising ban in the Canadian province of Manitoba during the middle 1970s, another study (Ogborne and Smart, 1980) concluded: "There is little evidence that per capita beer consumption has changed in any way since beer advertising ceased to feature in the Manitoba media."

In addition to examining the Canadian advertising bans, Ogborne and Smart also looked at states in this country which had enacted regulations to restrict newspaper and magazine advertising. They concluded that "such restrictions should be given a low priority among the possible solutions to problems of restraining per capita alcohol consumption."

Ad bans have also been imposed in several Scandinavian countries, and of course many Eastern European nations have *never* had broadcast alcohol advertising. And yet, the fact is that levels of alcohol abuse has remained high in these countries.

NEGATIVE CONSEQUENCES OF AN AD BAN

It has not been demonstrated that an advertising ban would discourage abusive consumption; but there are at least five separate areas where such a policy would have clear and damaging consequences.

ONE:

The most obvious harm of an advertising ban would be the loss of hundreds of millions of dollars in revenue to the broadcasting industry. This loss will not only be felt as reduced income for the major networks, but in two other very important areas as well:

- Literally hundreds of small, independent radio and television stations derive a significant portion of their income from beer advertising.
- Beer advertising dollars also support the cost of broadcasting popular sports and entertainment programming. Should a ban be imposed, it is highly likely that many of these programs will disappear or move to pay television. Local broadcasts of college sporting events would be especially hard hit.

TWO:

Beer advertising conveys a wide variety of useful information to consumers which would be restricted through an ad ban. For example, over the last 15 years, the light beer category has grown from less than 2% to 20% of beer industry sales, thanks in large part to the awareness of new light beer brands built through broadcast advertising.

And, interestingly, light beers contain on the average about 15% less alcohol than regular beers.

Similarly, in 1984 Anheuser-Busch became the first national brewer to produce a reduced alcohol beer -- our LA brand, which contains about half the alcohol of our regular beer. Without access to the broadcast media, it would be virtually impossible for the majority of consumers to become aware of this new product choice.

THREE:

Restricting the right of consumers to receive truthful information about an entirely lawful product raises serious questions under the First Amendment.

Any infringement of Commercial Speech must pass four Constitutional tests:

- Is the advertising for a legal product, or is it presented in a misleading fashion? Beer is legal, and our ads -- which are closely regulated by the FTC and BATF -- are not misleading.

- Does government have a legitimate interest in restricting Commercial Speech? Certainly government has a legitimate interest in curbing alcohol abuse.

- Will the proposed infringement of Commercial Speech forward the government's end in a material way? The scientific evidence demonstrates that an ad ban would not curb alcohol abuse, and would not meet this test.

- Is the restriction on Commercial Speech drawn as narrowly as possible? Since advertising does not contribute to abuse, it would be impossible to draw a restriction narrow enough to meet this test.

Thus it can be seen that, in the absence of compelling evidence that an advertising ban would contribute to a solution of the problem, it is doubtful that such legislation could withstand Constitutional scrutiny.

FOUR:

An advertising ban could create substantial problems in the long-term precedent it would set. While ad ban proponents assert that alcohol and tobacco are unique products, both of which should be banned from the airways, they are not, in fact, analogous. Moderate use of alcohol has been shown to have significant *health benefits*; but cigarettes are hazardous in essentially any amount.

Many products are like beer and wine in that they contribute to the quality of life when used responsibly, but which can be abused. The same logic that is being applied to alcoholic beverages could just as easily be used to promote bans on advertising for automobiles, caffeine products, sugar products, and a wide variety of other consumer goods.

It is difficult to see where the line would be drawn, and most troubling to think that government should be placed in the position of drawing it.

FIVE:

It is highly likely that -- should an advertising ban have any impact whatsoever -- it would be among responsible drinkers rather than abusers. Why? Because such a ban would constitute an official statement by government to 100 million consumers that there is something intrinsically wrong with beer ... that responsible use, as well as abuse, is suspect.

This would be extremely unfair -- to the millions of responsible drinkers, and the brewing and broadcast industries as well.

AN ADVERTISING BAN -- POOR PUBLIC POLICY

In this testimony, it has been shown that:

- Advertising affects brand selection ... it does not affect the size of the overall market in any material way.
- Advertising does not cause abuse or underage drinking.
- Ad bans in other countries have failed.
- An ad ban would have substantial negative consequences.

Government policy should not be built on wishful thinking. As much as all of us -- including the brewing industry -- would like to discover a "quick fix" for the alcohol abuse problem ... no such solution exists. However, given that many of the most crucial indicators of alcohol abuse are moving in positive directions, we can be confident that long-term, realistic approaches *can* have a meaningful impact.

Anheuser-Busch does not claim to have all the answers to this complex social problem. We have undertaken 14 major programs to encourage responsible consumption and to address alcohol abuse head on. Materials relating to these programs have been supplied to the members of the Subcommittee for their review.

Our position is a simple one. We recognize the alcohol abuse problem and will continue working toward effective solutions. At the same time, we are proud of our long heritage, our contributions to society, and the millions who sensibly consume our beers. We do not apologize for our products or the way we sell them. We therefore oppose simplistic solutions that paint our industry as the source of the problem, rather than as a willing participant in its solution.

We are anxious to continue working with others in finding, and implementing, programs that will help solve the alcohol abuse problem. But for the reasons discussed in this testimony, we respectfully submit that an advertising ban will of no help in this effort.

2/14/85

Stephen K. Lambright
Vice President and Group Executive
Anheuser-Busch Companies, Inc.
One Busch Place
St. Louis, Missouri 63118

REFERENCES

Alcoholic Beverage Taxation and Control Policies, International Survey, 1982. Brewers Association of Canada.

Atkin, C. and M. Block. 1981. *Content and Effects of Alcohol Advertising. Report I: Overview and Summary of Project.* Springfield, Virginia: The Bureau of Alcohol, Tobacco and Firearms, the Federal Trade Commission, and the U.S. National Institute of Alcohol Abuse and Alcoholism and the Department of Transportation.

Atkin, C. et al. 1984. "Teenage drinking: does advertising make a difference?" *Journal of Communications.* Spring:157-167.

Biddle, B. J., et al. 1980. "Parental and peer influence on adolescents." *Social Forces.* 58:1057-79.

Bourgeois, J. C. and J. G. Barnes. 1979. "Does advertising increase alcohol consumption?" *Journal of Advertising Research.* 19:19-29.

Duffy, M. 1981. "The influence of prices, consumer incomes and advertising upon the demand for alcoholic drink in the United Kingdom: an econometric study." *British Journal of Alcohol and Alcoholism.* 16:200-208.

Fitzgerald, J. L. and H. A. Mulford. 1984. "Seasonal changes in alcohol consumption and related problems in Iowa, 1979-1980." *Journal of Studies on Alcohol.* 45:363-368.

Jacoby, J. et al. 1971. "Price, brand name and product composition characteristics of perceived quality." *Journal of Applied Psychology.* 55:570-579.

Johnston, Lloyd. 1984. Statistical data presented in hearings before the Senate Subcommittee on Alcoholism and Drug Abuse, from the "Monitoring the Future Survey, 1984".

Kohn, R. M. et al. 1984. "Effects of two kinds of alcohol advertising on subsequent consumption." *Journal of Advertising.* 13:127-144.

Kohn, R. M. and R. G. Smart. 1984. "The impact of television advertising on alcohol consumption: an experiment." *Journal of Studies on Alcohol.* 45:295-301.

Leventhal, H. 1964. "An analysis of the influence of alcoholic beverage advertising on drinking customs." in R. G. McCarthy, ed., *Alcohol Education for Classroom and Community.* McGraw Hill. 267-297.

Grant, M. 1984. "Preventing alcohol-related problems amongst young people." World Health Organization. Paper for third ACMR Workshop on biobehavioral sciences and mental health: alcohol-related problems and their prevention, with particular reference to adolescence.

Mulford, H. A. and J. L. Fitzgerald. 1983. "Changes in the climate of attitudes toward drinking in Iowa, 1961-1979." *Journal of Studies on Alcohol.* 44:675-687.

Ogborne, A. C. and R. G. Smart. 1980. "Will restrictions on alcohol advertising reduce alcohol consumption?" *British Journal of Addiction.* 75:293-296.

Peles, Y. 1971. "Rates of amortization of advertising expenditures." *Journal of Political Economy.* Sept./Oct. 1032-1058.

Robertson, R. S. and J. R. Rossiter. 1974. "Children and commercial persuasion: an attribution theory analysis." *Journal of Consumer Research.* 1:13-20.

Saxe, L. et al. 1983. "The effectiveness and costs of alcoholism treatment." *Health Technology Case Study 22*, Office and Science and Technology. Washington, D.C.

Simpson, H. M. et al. 1984. *Alcohol-specific Countermeasures: Implications for Road Safety.* Traffic Injury Research Foundation of Canada. Ottawa, Canada.

Smart, R. G. and R. E. Cutler. 1976. "The alcohol advertising ban in British Columbia: problems and effects on beverage consumption." *British Journal of Addiction.* 71:13-21.

Strickland, D. E. and D. J. Pittman. 1981. "Advertising and alcohol abuse: a critique of Breed and DeFoe's 'risk and alcohol lifestyle advertising'." *Abstracts and Reviews in Alcohol and Driving.* 2:11-16.

Strickland, D. E. 1983. "Advertising exposure, alcohol consumption and misuse of alcohol." in Marcus Grant, et al. (eds), *Economics and Alcohol: Consumption and Controls.* New York: Gardner Press, Inc.

Strickland, D. E. 1982. "Alcohol advertising: orientations and influence." *Journal of Advertising.* 1:307-319.

Woodside, A. 1972. "A shopping list experiment of beer brand images." *Journal of Applied Psychology.* 56:512-513.

Senator HAWKINS. Thank you.

Mr. Easton, you have been introduced by Senator Kasten. You may now proceed with your statement.

Mr. EASTON. Madam Chairman and members of the subcommittee, we want to thank you for the opportunity to meet with you today. I am Alan G. Easton. I am vice president of Corporate Affairs for the Miller Brewing Co., and I might also add spontaneously that I am the parent of an under-age college student, and therefore have a very personal interest in effective steps to control and reduce alcohol abuse.

Because our time today is limited, we will be submitting a written statement for your record which will provide appropriate detail, and at this I request that our statement, when submitted, be made part of the record.

Senator HAWKINS. Without objection.

Mr. EASTON. Let me state right here, however, our very basic concern about alcohol abuse, as well as the question of bans or undue restrictions on beer and wine advertising. First, as others have stated, we and every member of the alcohol industry could not agree more that alcohol abuse is a chronic problem in our society today.

At the same time, it is important to remember that it is not a new problem. Alcohol abuse was prevalent during the 13 years of prohibition when our Federal Government did its best to suppress all alcohol consumption.

Second, taking the very considerable advice of experts in the field, we at Miller have initiated a broad range of programs designed to better educate people about the role of alcohol beverages in their lives, including no role at all, if they so choose, and the consequences of abusive consumption by those who do elect to drink.

In 1984 alone, Miller and its wholesale distributors presented more than 30,000 educational alcohol awareness programs to community service organizations, civic groups, and others all across the country. This effort and several other of our major programs are outlined in the written statement we will be submitting.

Third, and perhaps most important to this hearing today and any discussion about advertising, the issue is abuse. It is not consumption, per se. That the vast majority of Americans who drink do so responsibly and in moderation is not contested by even the most zeolous of the ad ban proponents.

Yes, unfortunately, zeolotry is becoming an intrusion on society's efforts to deal constructively with this very real problem. Instant entrepreneurs in social engineering are exactly what our society does not need at this stage of the game, but it is occurring.

The foremost advocate of an ad ban, the Center for Science in the Public Interest, has publicly acknowledged the available literature does not demonstrate a causal relation between advertising and harm. As recently as five weeks ago, CSPI Director, Michael Jacobson, repeated this acknowledgement on a CBS network news program. But in almost the same breath he said, "I think the burden of proof should be on the other side". In other words, guilty until proven innocent, with the burden of proof assigned to the accused. No premise could fly more in the face of carefully nurtured American principles.

However, as repugnant as this sort of challenge is, it can be readily met. CSPI is quite correct to admit that there is no evidence suggesting a causal relationship between advertising and alcohol abuse or under-age consumption.

However, CSPI conveniently overlooks the evidence that specifically documents that there is not a cause-and-effect relationship. History and experience provide certain of this evidence. Western cultures have experienced alcohol abuse problems for 5,000 years, but mass media advertising for only 50. It is simply illogical to lay at the feet of a practice that has existed for one-one hundredth of the time span of the problem itself the blame for the existence of the problem.

And there is the experience of other countries, many of which have considerably higher alcohol abuse rates than the United States. The Soviet Union, Sweden, Bulgaria, Finland, and two provinces of Canada, just to name some, all have experiences with either ad bans or advertising never having existed. In some cases, alcohol consumption in these countries went down. In some cases, it increased. In no case did the incidence of abuse decline.

Beyond such common sense lessons, there is also hard scientific evidence. This is in the form of scientific research conducted and published in respected journals by highly qualified experts, and I will name just a few of them—Dr. David J. Pittman, the director of Social Sciences Institute at Washington University; Dr. Harold Mendelson, head of the Department of Sociology at the University of Denver; Dr. M. Dow Lambert, also of the Social Sciences Institute; Dr. Donald Strickland, professor of sociology at Washington University; Dr. George Maddox, the chairman of the Sociology Department at Duke University; Dr. T. A. Finn, professor of physiology at Washington University; and Drs. Richard and Shirley Jessor, Institute of Behavioral Science at the University of Colorado in Boulder.

Synthesizing these experts' various conclusions on various facets of the advertising question, two main points stand out. No. 1, advertising is not a meaningful causative factor in alcohol abuse. No. 2, advertising is not a meaningful causative factor in under-age consumption.

Alcohol abuse is a serious, complex problem. Regrettably, the hard fact that we must face is that there is not one magic, simple, quick fix to the problem, and no amount of finger-pointing by would-be social engineers will change that. We all need to work together toward real solutions through programs that deal directly with root causes. Our society deserves that.

Though it is overdue, a healthy, constructive public attitude is developing about alcohol abuse and about responsible consumption. It would be a tragic hoax to interrupt that momentum with actions that do nothing to stem alcohol abuse, but which might well prove harmful to basic American freedoms, our free enterprise system, and an established Federal and State regulatory process that has stood the test of time.

Thank you, Madam Chairman, and, of course, I would be happy to answer any questions that you or the other members of the committee would have.

[The prepared statement of Mr. Easton follows:]

Written Statement Of

ALAN G. EASTON
VICE PRESIDENT - CORPORATE AFFAIRS
MILLER BREWING COMPANY

Madam Chairman and members of the Subcommittee:

My name is Alan G. Easton and I am Vice President of Corporate Affairs for Miller Brewing Company. I live at 242 East Ravine Baye Road in Bayside, Wisconsin, a suburb of Milwaukee where Miller Brewing has its corporate headquarters.

Miller is one of the nation's leading brewers and participates in the beer market on a national scale. Our company employs approximately 10,000 people and has 13 plants in 7 states: Wisconsin, New York, North Carolina, Georgia, Texas, California and Ohio. Miller also has six company-owned branches located in Oregon, Washington, California, Colorado, Louisiana and Florida, although our distribution is primarily through approximately 750 independent wholesale distributors across the country.

In a narrow sense, this hearing concerns the matter of alcohol beverage advertising on radio and television. It would be possible to consider proposed advertising bans in a variety of terms:

- the Constitutional question of commercial free speech;
- the potential for further disruption of an industry already contracting and in turmoil by means of eliminating effective, accepted and entirely lawful marketing methods;
- the negative economic impact on some 3.2 million Americans directly employed in the producer, distributor and retailer tiers of the alcohol industry;
- the adverse ripple effect on countless supplier industries or the disruption of critical tax sources -- especially for the states.
- the assault on responsible, intelligent consumers and their right to make choices free of government censorship.

However, in the macro sense, the concern is the entire issue of alcohol abuse in our society -- its causes and non-causes -- and what constructively can be done about it.

Alcohol abuse in its many forms is a chronic problem in our society as it was also during the 13 years of Prohibition. It clearly deserves critical attention accompanied by actions aimed squarely at the root cases of the problem. It demands that American consumers who choose to drink recognize and accept the self-responsibility that goes with that choice in exactly the same way that we as a society assign to consumers -- and as consumers we accept -- the burden of responsibility as to how we drive cars, take aspirin or countless other non-prescription medicines, use kitchen knives or any of an amazing array of consumer products which have the potential of being used or consumed abusively. The issue of alcohol abuse is very real and very serious. But the issue is alcohol abuse. It is not alcohol consumption -- although some number of moral entrepreneurs would prefer prohibition and are fueling the flames of the alcohol abuse issue in the hopes that actions meant to reduce abuse will turn out to be preliminary steps toward prohibition of the product.

The distinction between moderate, responsible consumption and abusive consumption is rather simple to discern. Incidentally, abusive consumption in our view certainly includes the abuse of the law by underage consumers whether or not the consumption is abusive as to quantity. Abusive consumption is unquestionably damaging to the individual abuser. Moreover, the effects can be transmitted to others such as in drunk driving, family abuse, crime, disruption of work, and more. Moderate, responsible consumption, on the other hand, is not only socially enjoyable and beneficial but has specific, documented health benefits as well.

Once again, then, it is appropriate to stress that the issue is abuse, not consumption per se. But the distinction is frequently ignored by some when it serves their purposes.

Proponents of an advertising ban, for example, acknowledge that such a ban is designed to reduce overall consumption and only prospectively relates to abusive consumption. The contention seems to be that if overall consumption is reduced, abusive consumption will follow. Superficially, this contention appears to have a certain logic but it simply does not survive tests of medical experience.

The alcoholic drinks at any cost for reasons associated with the medical illness. The prompter of abusive consumption lies within the psychology or physiology of those who suffer from the disease -- not any external factors specifically including advertising. Social abuse or occasional overindulgence or drunkenness is associated with the immediate social environment at the time and point of consumption and the sense of social responsibility, or lack of it, by both consumers and servers. Underage consumption is proven by sociological research to be prompted by peer pressure, parental patterns, and other social factors. Sociologists regard advertising as a trivial element.

The foremost advocate of an advertising ban appeared on a CBS network news program on December 31st. In that network appearance, Michael Jacobson of the Center for Science in the Public Interest made clear his view that alcohol advertising, those who sponsor it and those who broadcast it are -- in effect -- guilty until proven innocent. Interviewer Fred Graham suggested that the burden of proof to show that there is some harm in such advertising should be on CSPI. In response, Mr. Jacobson stated: "There isn't absolute proof that these kinds of commercials cause alcohol problems." This admission notwithstanding, 30 seconds later Mr. Jacobson added: "I think the burden of proof should be on the other side."

No premise could fly more in the face of carefully nurtured principles of American justice and fairness. The tragedy of it is compounded by the assertion that the burden of the proof should be on the accused. And the irony of it is that the principal accuser has elected to wrap himself in the cloak of "public interest." Such a fundamental distortion of a basic American concept can hardly be accepted as being in the public interest.

Voltaire said: "I disapprove of what you say but I will defend to the death your right to say it." Now, 250 years later, we are seeing an alarming new version of this simple, one sentence expression of a most basic democratic value. An emotional, opinionated and vocal minority is saying: "I disapprove of what you say so I'm going to take away your right to say it."

One is tempted to simply dismiss such distortions of American values as just that -- unacceptable distortions. Similarly, one is tempted to let the accusers' self-admitted absence of evidence speak for itself.

However, as repugnant as this sort of challenge is, it can be met. While CSPI admits there is no evidence to suggest a causal relationship does exist between alcohol advertising and harm, it conveniently overlooks the considerable evidence that such a relationship specifically does not exist.

First, in an interview with U.S. Today, Mr. Jacobson stated that beer consumption has grown. The fact is that in the period of 1980 through 1984 -- a period in which the same U.S. Today article showed that broadcast advertising for beer and wine rose almost 50% (considerably less on an inflation-adjusted basis) -- per capita beer consumption declined. In that particular five year period, however, unusual macroeconomic and societal factors may have been of influence. Thus, a more extended perspective is appropriate. In the ten years of 1963-1972 -- when the frequency and reach of broadcast advertising of beer was considerably less -- the average annual increase in adult per capita beer consumption was 2.2%. That was exactly twice the annual adult per capita increase in the ensuing 10 years of 1973-1982 and an opposite trend to the final three years of that measured decade. Yet, in the 1973-1982 period, broadcast advertising of beer increased very sharply. In other words, per capita consumption increased more during a period of less advertising.

However, as stated previously, the issue is abuse, not consumption. Thus, the second point concerns distilled spirits whose advertising appears now only occasionally in the broadcast media. The evidence shows clearly that the incidence of abusive consumption by category of alcohol beverage -- beer, wine and distilled -- has not changed one iota since the distillers opted for unrelated reasons to largely curtail their broadcast advertising.

Third -- there are clearly identifiable regional and demographic patterns of alcohol abuse which do not correlate to broadcast advertising or audience listening and viewing patterns. Such lack of correlation is itself evidence of the non-causative role of advertising to abusive consumption.

Fourth -- the experience of other countries is revealing. The Soviet Union, for example, permits no media advertising of alcohol beverages whatsoever but reports among the world's highest incidences of alcoholism and of consumption abuse by teenagers. The situation is hardly limited to the Soviet Union. In 1973, Bulgaria not only banned all alcohol beverage advertising but imposed an arbitrary 50% price increase. One year later, alcohol consumption had risen 78%. In 1972, Norway banned all advertising. Four years later, consumption was up 25%. And much closer to home -- societally as well as physically -- Canada presents a significant model. There, some provinces permit broadcast advertising and some do not. On average, the per capita consumption in those provinces that do not permit broadcast advertising is 67% higher than in those that do.

Fifth -- there is the evidence of history. Alcohol consumption has played a social role in most western cultures for more than 5,000 years. Sociologists and anthropologists agree that alcohol abuse and alcoholism have been problems for the same 5,000 years. Advertising, by contrast -- and broadcast advertising in particular -- is a phenomena of essentially the past 50 years, or one hundreth of the time span of the problem itself. Rather clearly, the experience of the other percent of the problem's existence evidences that the root causes lie in other than advertising.

The evidence cited above is experiential in nature. There is hard, scientific evidence as well.

Sixth -- Dr. David Pittman, director of the highly respected Social Sciences Institute at Washington University in St. Louis, is unchallengeably the preeminent sociologist in the field of alcohol abuse. In a 1983 Chicago Tribune interview, Dr. Pittman stated: "Advertising is basically a trivial contribution to any kind of problematic drinking in America." Elsewhere in the same interview article, Dr. Pittman observed that "... attempts to blame radio and television advertising as a causative factor for alcohol abuse are based on sensationalism, pseudoscience and nothing empirical."

Dr. Donald Strickland published in 1982 the findings of his research with a very large number of students in grades 7, 9 and 11 particularly focusing on alcohol behavior patterns and the involvement of the mass media. His findings revealed that there was "virtually no effect of television alcohol advertising on the alcohol consumption level of the overall sample of teenagers."

Seventh -- social researcher C.F. Adams in a recent scientific paper reported the results of a study analyzing the reasons young people drink; 36% of those surveyed reported peer pressure; 23% reflected family attitudes and parental modeling; 34% cited a variety of other factors totally unrelated to advertising. And the Adams paper is hardly an isolated case. Essentially identical conclusions have been drawn in a wide range of studies done variously by social researchers George Maddox (Duke University), T.A. Finn (Washington University), and Richard and Shirley Jessor (University of Colorado at Boulder).

Eighth -- in a 1983 paper, C.B. Popescu, a leading researcher for the American Council on Science and Health, wrote: "Evidence indicates that advertising does not significantly increase overall consumption of alcohol beverages although it may accomplish its intended purpose of increasing a particular company's market."

Ninth -- proponents of an advertising ban assert that TV advertising in particular makes emotional or psychological appeals that lead viewers to believe they too can be envied, admired, stylish, or successful if they consume alcohol beverages. But sociologists T.A. Finn, M.D. Lambert and D.E. Strickland studied 3,100 different print ads and 600 television commercials and concluded otherwise. The predominant themes, they reported, are product quality, product tradition and heritage and other similar informational points. Even more to the point of the allegation, they further concluded: "The more controversial themes based on lifestyle or status were infrequent."

Finally -- there is quite properly a particular focus on alcohol abuse as it relates to the youth of our country. The respected Institute for Social Research at the University of Michigan has conducted on-going studies of alcohol consumption patterns by high school seniors. A very recent report is particularly significant. It showed that the number of students drinking alcohol beverages at all in the 30-day period prior to the survey dated declined 7% in 1984 compared to 1979. More critically, it showed that the number who drink regularly declined 29% in the same period, although the number was quite low to begin with. The inescapable question is how can that positive trend possibly be occurring in a time period when the broadcast advertising of alcohol beverages is at its highest levels? The answer is equally inescapable -- broadcast advertising is a non-causative factor.

In particular, commercials on behalf of Miller's Lite brand are alleged by some to be especially appealing to underage consumers because of their use of ex-athletes. The assertion is that these athletes are role models to young people and, thus, their simple appearance in beer commercials constitutes an endorsement of drinking by underage consumers. Once again, the assertion has an appearance of logic but does not withstand the test of fact. As part of its market research, Miller maintains extensive surveillance on who consumes its brands. The largest age category of consumers for Lite is 35-44. The next largest is 25-34. Below age 25, the preference for the Lite brand is very considerably below that of other brands. If a youth appeal is inherent in these commercials it surely would be reflected in the brand preferences of legal age young adults. It isn't. It is also significant that the average volume of consumption by Lite beer drinkers is below the norm for all brands. In other words, the good humor and popularity of Lite beer commercials notwithstanding, their impact is on older consumers who drink less.

It should also be noted that no other beer commercials on the air today focus so single-mindedly on product attributes (vs. lifestyle, sex appeal, social success, etc.)

The evidence cited above as to the non-causative role of advertising in alcohol abuse is but the tip of the iceberg. Mr. Jacobson suggested the burden of proof should lie with the accused. As repugnant as that concept is, the proof is clearly there.

Still, one more time, alcohol abuse is a very serious problem. Unfortunately, it seems that while the house is on fire, there are some who want to fix the plumbing. Let's act carefully to make sure we're putting out the fire.

If banning or unduly restricting broadcast advertising is neither a proper nor a constructive action toward solving the alcohol abuse problem, what is?

The solution lies in broad public education which fosters a fundamental change in public attitudes about abusive consumption and instills a proper sense of self-responsibility in connection with alcohol consumption. The industry, and Miller Brewing, are already committed to such solutions and have been for some time.

Without intending to present a comprehensive review of proactive programs, certain actions can be cited as examples:

- Miller Brewing initiated its own internal Employee Assistance Program, specifically including alcohol awareness and abuse counselling, in 1979.

- Miller Brewing has been running paid, print media anti-drunk driving advertising in its plant cities for more than two years. It is also providing these advertising materials to its 750 distributors for use in their home cities.

- Miller Brewing is the largest single corporate sponsor of BACCHUS, a nation-wide college campus peer program designed to increase alcohol awareness.

- Miller Brewing has developed its AIM (Alcohol Information from Miller) program for use by wholesale distributors in increasing community alcohol awareness and involvement. A centerpiece of the AIM program is an audio-visual presentation designed to inform community groups, clubs, service organizations, etc., about the problems of alcohol abuse and enlist their help in positive, problem-solving actions. In 1984 presentations were made to more than 65,000 members of organizations.

- Miller has assigned a very high priority in the area of corporate contributions to alcohol education, research and other programs. Among the recipients of major financial support, in addition to BACCHUS, are: Alcohol Medical Research Foundation at Johns Hopkins University; Health Education Foundation; Alcohol and Drug Problems Association; American Council on Alcoholism; and a variety of alcohol abuse prevention/treatment programs with special emphasis on those serving minority Americans.

Beyond these sorts of action, Miller has recognized that it must accept certain responsibilities as to the product we make and the manner in which it is marketed. To this end:

- Miller Brewing has fully endorsed a comprehensive set of guidelines set forth by college administrators concerning on-campus promotional marketing. All on-campus marketing by the brewery is fully in accordance with these guidelines, which public and private college administrators have absolute power to enforce.

- Miller Brewing has fully endorsed an updated set of voluntary industry guidelines concerning advertising as well as the attendant review panel and process. The brewing industry has had marketing guidelines since the 1940s.

The Miller Brewing Company and the entire alcohol industry has been focusing on the problem of alcohol abuse for some time. We will continue to be part of the solution by developing and implementing programs which address root causes.

Alcohol abuse is a serious, complex problem. Regrettably, there isn't one simple "quick fix" solution and no amount of finger pointing by social engineers will change that. At long last, a healthy, constructive public attitude is developing about alcohol abuse and responsible consumption. It would be a tragic hoax to interrupt that momentum with actions that would do nothing to stem alcohol abuse but which might very well prove harmful to basic American values and freedoms.

Congress and our regulatory agencies must move deliberately to assure that actions are aimed squarely at the core of the problem. The risk of actions undertaken for political conveniences is that the fundamental problem remains unresolved while our free enterprise economy is undermined by "big brother" intrusions.

Senator HAWKINS. Thank you, Mr. Easton.

Next on our panel will be Leonard Matthews, president of the American Association of Advertising Agencies. Welcome.

Mr. MATTHEWS. Good morning, and thank you. I am Leonard S. Matthews, president of the American Association of Advertising Agencies, and I would like to thank Madam Chairman and the Senators here for hearing our testimony this morning.

Due to the time constraints of this meeting this morning, I have been asked by my associates to present the joint testimony of my association, as well as the testimony of the American Advertising Federation and the Association of National Advertisers.

In our more detailed testimony for the record, we describe our separate memberships. However, together, our three associations represent every segment of the advertising community, including advertising agencies, corporate advertisers, broadcasters, the print media, the outdoor advertisers, and 210 advertising clubs across the country.

As the sixth speaker on this panel, I necessarily am going to plow some ground that has been plowed, but I have tried to eliminate that as I listened to the previous testimony.

All three of our associations share a deep concern about the extremely serious problems of alcohol abuse in this country, and the advertising community, long before these issues received the spotlight of national public concern, has donated their time and talents to public service campaigns to help combat alcohol abuse and drunk driving.

All three of the presidents of our associations are on the board of the Advertising Council, and as you may know, through the Advertising Council, major corporations and advertising agencies donate their time and talent to the development of national public service campaigns.

Let me provide you now with just one example, in the interests of time.

[A videotape was shown.]

Mr. MATTHEWS. As a separate campaign on alcoholism, which is done mostly for the National Council on Alcoholism, I think you can see that that is a very hard-hitting campaign against drunk driving.

These campaigns have also run widely in the print media, newspapers, magazines, and outdoor, and in English and Spanish as well. Furthermore, these campaigns have been extensively supplemented by many public service advertising campaigns developed at the local level. Mr. Flynn showed you some Florida examples, but there are over 100 that we have collected.

Through the donation of our time, our talent and our dollars, I think we have made manifest our commitment to join in a national cooperative effort to combat alcohol abuse and drunk driving.

However, our three associations are adamantly opposed to proposals to ban beer and wine advertising in the broadcast media. We oppose an advertising ban for four principal reasons.

First, an advertising ban will not help to solve the problems of alcoholism and drunk driving. Second, an advertising ban, in our opinion, would be unconstitutional. Third, an advertising ban would injure competition, injure radio and television broadcasters, and deprive the consumer of information on new and improved beer and wine products, and set a dangerous legal precedent because there is hardly a product that you can name that could not be misused.

Fourth, a beer and wine advertising ban would be counter-productive, in our view. An advertising ban is a cosmetic solution to a real problem. It is like putting a band-aid on a cancer; it papers over the problem. It tends to divert and dissipate society's search for true and meaningful solutions to these really tragic problems.

There is massive factual evidence that an advertising ban would fail to solve the problem of alcohol abuse and drunk driving in our society. As has been mentioned, the Soviet Union, all the Eastern Bloc countries, Sweden, Finland, Norway, and British Columbia all have imposed bans on the advertising of alcoholic beverage products, and none—I repeat, none—of these bans has been found to lessen alcohol use or alcohol abuse in these countries.

So we ask the question, why should we run an experiment on the effects of an alcohol advertising ban in this country when this test has been tried in numerous other countries and failed?

Furthermore, there is no evidence in scientific studies that found advertising to be a significant factor in the causes of alcohol abuse. As alcohol advertising did not create these problems, banning advertising cannot solve them.

For these reasons, we strongly believe that the proposed broadcast advertising ban of beer and wine would be unconstitutional. The Supreme Court has ruled that truthful advertising can only be banned under very limited circumstances, and that such a ban is unconstitutional unless "it directly advances the governmental interests asserted and is not more extensive than necessary."

Banning the broadcasting of advertising of beer and wine fails both of these tests. It will not cure alcoholism or deter drunk drivers and, in all probability, will not even affect consumption, much less affect abuse.

A ban is overly broad in that it does not directly attack the problems of alcohol abuse. There are a wide variety of alternate measures that are available against drunk driving and alcoholism that are much less restrictive—indeed, not at all restrictive of commercial speech—and are likely to be far more effective in resolving these serious problems. None of these approaches would violate the First Amendment.

The three advertising associations—AAAA, AAF, and the ANA—also strongly oppose the idea of mandated counter-advertising. This proposal would create an extremely dangerous new precedent.

Clearly, this proposal is a major divergence from present FCC practice, and this divergence would have to be predicated on the broad misuse of alcohol products, and actually the misuse of alcoholic products is a very small minority of the population and a very small minority of those who drink.

Clearly, virtually any product can be misused, so it asks the question, will we have a counter-advertising for the myriad of other products that also can be misused? The answer to the question, I think, must be no, otherwise mandated counter-advertising will direct a severe body blow to advertisers and commercial broadcasters.

Now, having said this, it is important to emphasize that alcohol beverage advertising does have an important role to play in our society. As our more detailed submission will point out, this advertising has little or no effect on starting people to drink or on the per capita consumption of alcohol.

However, advertising plays a major role in brand shifting and brand share. There is a good example in that chart there. Furthermore, as you have already noted, this advertising is important in helping to bring new products into the marketplace, such as wine coolers and low-alcohol beer.

We are all concerned that alcoholism and drunk driving exist in this society, but this concern should not blind us to the fact that alcohol consumption in the last several years in the United States is down, not up. If the critics of alcohol advertising are correct, how do they explain this fact?

In conclusion, our three associations pledge to you that we will continue to volunteer a high level of public service advertising in the alcoholism and drunk driving area. Furthermore, we will utilize our communications skills to work cooperatively with other groups in a national partnership to come to grips with these serious problems.

We would like to propose that your committee basically has two options. The first is to deal with this subject on a subjective, emotional and ideological basis, as the critics would propose, and this will produce no solutions to this problem.

The second is to deal with it on a factual and objective basis, and to enlist the help of the beverage industry and the advertising and communications industries so that these very real problems of alcohol abuse can really be solved.

Thanks very much.

[The prepared statement of Mr. Matthews and the American Association of Advertising Agencies and the American Advertising Federation follows:]

JOINT TESTIMONY OF

AMERICAN ADVERTISING FEDERATION
AMERICAN ASSOCIATION OF ADVERTISING AGENCIES
ASSOCIATION OF NATIONAL ADVERTISERS, INC.

BY LEONARD S. MATTHEWS
PRESIDENT
AMERICAN ASSOCIATION OF ADVERTISING AGENCIES

Good morning. I am Leonard S. Matthews, President of the American Association of Advertising Agencies. I would like to thank Senator Hawkins and the other members of this subcommittee for providing this opportunity to testify today.

Due to the time constraints of this hearing, I have been asked by my associates to present the joint testimony of my own association as well as that of the American Advertising Federation and the Association of National Advertisers.

In our more detailed testimony for the record, we describe our separate memberships. However, together, our three associations represent every segment of the advertising community, including advertising agencies, corporate advertisers, broadcasters, the print media, outdoor advertisers, and 210 advertising clubs throughout this country.

All three of our associations share a deep concern about the extremely serious problems of alcohol abuse in the United States. The advertising community, long before these issues received the spotlight of national public concern, donated their time and talents to public service campaigns to help combat alcohol abuse and drunk driving. All three of the presidents of our associations are members of the Board of the Advertising Council, and through the Ad Council major corporations and advertising agencies donate their time and talent to the development of national public service campaigns. Let me provide you with just a few examples. (Run the public service ads)

In addition, these campaigns have run widely in newspapers, magazines, and outdoor advertising. These campaigns are not only running in English, but Spanish as well.

Furthermore, these campaigns have been extensively supplemented by public service advertising developed at the local level. Therefore, through the donation of our time, talent, and dollars, we have made manifest our commitment to join in a national cooperative effort to combat alcohol abuse and drunk driving.

However, our three associations adamantly oppose proposals to ban beer and wine advertising on the broadcast media. We oppose an advertising ban for four principle reasons.

First, an advertising ban will not help to solve the problems of alcoholism and drunk driving;

Second, an advertising ban would be unconstitutional;

Third, an advertising ban would injure competition, injure radio and TV broadcasters, and deprive the consumer of information on new and improved beer and wine products and set a dangerous legal precedent, as virtually any product can be misused;

Fourth, and finally, a beer and wine advertising ban would be counter-productive. An advertising ban is a cosmetic solution to a real problem, like placing a band-aid on a cancer, it tends to divert and dissipate society's search for true and meaningful solutions to these tragic problems.

There is massive factual evidence that an advertising ban would fail to solve the alcohol abuse and drunk driving problems in our society. The Soviet Union, other Eastern Block countries, Sweden, Finland, Norway, France, (For whiskey ads), and British Columbia, all have temporarily or permanently imposed bans on the advertising of alcohol beverage products. None of these bans have been found to lessen alcohol use or abuse in these countries. Why should we run an experiment on the effects of an alcohol advertising ban in our country when this test has been tried in numerous other countries and failed?

Furthermore, there is no evidence in scientific studies that found advertising to be a significant factor in the causes of alcohol abuse. Therefore, as alcohol advertising does not create these problems, banning advertising cannot solve them.

For these reasons, we strongly believe the proposed broadcast advertising ban of beer and wine would be unconstitutional. The Supreme Court has ruled that truthful advertising can only be banned under very limited circumstances, and that such a ban is unconstitutional "unless it directly advances the governmental interests asserted" and "is not more extensive than necessary."

Banning the broadcast advertising of beer and wine fails both tests. It won't cure alcoholism, or deter drunk drivers, and in all probability, will not even affect consumption, much less abuse. A ban is overly broad in that it does not directly attack the problems of alcohol abuse. There are a variety of alternate measures that are available against drunk driving and alcoholism that are less restrictive - indeed not at all restrictive - of commercial speech and are likely to be far more effective in resolving these serious problems. Raising the drinking age, imposing harsher penalties for selling or imbibing in violation of such age limitations and heavily penalizing drunk driving are some examples. They can be augmented by stepping up traffic, bar and store checks to intensify enforcement. Alcoholism treatment and educational and remedial programs on a national and local level are other feasible approaches. None of these approaches would violate the first amendment. A beer and wine advertising ban would.

The A.A.A.A., A.A.F. and A.N.A. also strongly oppose the idea of mandated counter-advertising. This proposal would create extremely dangerous new precedents. Clearly, this proposal is a major divergence from present Federal Communications Commission practice. This divergence would have to be predicated on the misuse of alcohol products. But, clearly, virtually any product can be misused. Will we have counter-advertising for the myriad other products that can be misused? The answer to the question must be no, otherwise mandated counter-advertising will direct a severe body blow to advertisers and commercial broadcasters.

Having said all this, it is important to emphasize that alcohol beverage advertising does have an important role to play in our society. As our more detailed submission points out, this advertising has little or no effect on starting people to drink or on the per capita consumption of alcohol. However, advertising plays a major role in brand shifting and brand share. Furthermore, as already noted, this advertising is important in helping to bring new products into the marketplace such as wine coolers and low alcohol beer.

We are all concerned that alcoholism and drunk driving exist in our society. But this concern should not blind us to the fact that alcohol consumption in the last several years in the United States is down, not up. If the critics of alcohol advertising are correct, how do they explain this fact?

In conclusion, our three associations pledge to you that we will continue to volunteer the high level of public service advertising in the alcoholism and drunk driving area. Furthermore, we will utilize our communications skills to work cooperatively with other groups in a national partnership to come to grips with these serious problems.

We would like to propose that your committee has two options, or choices. The first is to deal with this subject on a subjective, emotional and ideological basis, as the critics would propose. The second is to deal with it on a factual and objective basis, and to enlist the help of the beverage industry and the advertising and communications industries so that these very real problems can be solved.

Thank you. We will be glad to try to answer any questions you may have.

JOINT STATEMENT OF THE AMERICAN ASSOCIATION OF ADVERTISING AGENCIES AND THE AMERICAN ADVERTISING FEDERATION

The American Association of Advertising Agencies is the national association of the advertising business. Its members include more than 650 advertising agencies, composed of over 65,000 total employees, located throughout the United States, which handle at least three-fourths of all national advertising placed by advertising agencies as well as a substantial amount of local retail and public interest advertising.

The American Advertising Federation is a national trade association which includes within its membership all of the various elements of the advertising industry. The membership of the AAF includes companies that manufacture and sell consumer products, advertising agencies, newspaper and magazine publishers, radio and television broadcasters and networks and approximately 22 other trade associations with membership composed of companies engaged in various advertising pursuits. The Federation also represents the "grassroots" of the advertising industry because it is the parent body of more than 210 local advertising clubs and federations located throughout the United States and having a combined membership of approximately 32,000 advertising practitioners.

Together our associations represent almost every segment of the advertising community, including advertising agencies, corporate advertisers, broadcasters, the print media, outdoor advertisers, and ad clubs throughout the United States.

Both of our associations share a deep concern about the extremely serious problem of alcohol abuse in the United States. Long before alcohol abuse and drunk driving received the spotlight of national public concern, the advertising community donated their time and talents to public service campaigns to help combat these problems. The presidents of our associations are members of the Board of the Advertising Council, through which major corporations and advertising agencies donate their time and talent to the development of national public service campaigns. The Ad Council last year obtained over $700 million of free time and space in national media. Since its creation in 1942, the Ad Council has received more than $12.8 billion for public service announcements.

In addition to television and radio, these campaigns have run widely in newspapers, magazines, and outdoor advertising, in Spanish as well as English. Furthermore, these campaigns have been extensively supplemented by public service advertising developed at the local level. Thus, we in the advertising field have been donating, and will continue to donate, our communications expertise toward solving the problem.

However, we strongly believe that the only effective means by which our mutual goal will be realized is if all segments of society work together as a unified body. There are no simple solutions. To this end, our associations have actively participated with other interested parties in the Office of Juvenile Justice and Delinquency Prevention National Partnership meetings since their onset in October 1984.

Through our participation in the National Partnership meetings, we have reinforced our awareness of the vastness and complexity of the problems of alcohol abuse. The consensus of professionals in the field of alcoholic studies is that it will take a long-term comprehensive commitment by all segments of society to solve these problems. Despite these informed conclusions, some have subjectively and arbitrarily singled out advertising as a major contributing cause of alcohol abuse and are consequently advocating a ban on alcohol beverage advertising.

Our associations adamantly oppose proposals to ban beer and wine advertisng on the broadcast media. We oppose an advertising ban for four principle reasons.

First, an advertising ban will not help to solve the problems of alcohol abuse, alcoholism and drunk driving;

Second, an advertising ban would be unconstitutional;

Third, an advertising ban would injure competition, injure radio and TV broadcasters, and deprive the consumer of new product information;

Fourth, and finally, a beer and wine advertising ban would be counter-productive. An advertising ban is a cosmetic solution to a real problem, like placing a band-aid on a cancer; it tends to divert and dissipate society's search for true and meaningful solutions to these tragic problems.

Proponents of the ban contend that advertising increases alcohol abuse. Research dealing specifically with the alcohol question refutes that assertion, however. Econometric studies have failed to reveal any statistical significance for the effect of advertising expenditures on alcohol purchases.[1] Regional drinking patterns have not been shown to correspond to regional variations of advertising intensity of spending. Finally, beer and wine advertising, like most other advertising, influences brand preferences and market share rather than consumption behavior.

Michael Waterson, research director of the Advertising Association of Great Britain and author of Advertising and Alcohol Abuse (London, The Advertising Association, 1983), has stated: "The research evidence available, most of it deriving from non-industry sources, clearly suggests that advertising has little or no impact on mature alcohol markets, other than at the brand level." This finding is confirmed by Chiplin, Sturges and Dunning in Economics of Advertising, (New York, Holt, Reinhart, and Winston, 1981): "It seems to remain unproven that advertising has led to any market increase in aggregate demand in general or in the demand for either tobacco or alcohol products." One of the most

---

1. Lambin, J.J., "Advertising, Competition and the Market Conduct in Oligopoly Over Time", North-Holland/American Elserier, 1976; Ashley, R., Granger, C.W.J. and Schmalensee, R., "Advertising and Aggregate Consumption; an Analysis of Causality", Econometrica, Vol. 48, No. 5, July 1980; Grabowski, H.G., "The Effects of Advertising on the Inter-industry Distribution of Demand", Explorations in Economic Research, Vol. 3, No. 1, 1976, pp. 21-75; Sturgess, B.T., "Dispelling the Myth: the effects of total advertising expenditure on aggregate consumption", Journal of Advertising, Vol. 1, No. 3, 1982, pp 201-212; and Kyle, P.S., "The Impact of Advertising on Markets", Journal of Advertising, Vol. 1, No. 4, 1982, pp. 345-359.

extensive surveys in regard to this question was done by J.J. Lambin, which, after a survey of 108 brands in 16 classes of products in 25 markets, found that advertising seldom increases the primary demand for a class of products. Such findings support the experience of the advertising industry that advertising exerts its efforts, in the case of most mature, established product categories, against brand switching rather than against increased total consumption.

Probably the most convincing argument against the consumption assertion, however, comes from studying the experience of countries that have already restricted alcohol advertising.

The Soviet Union, other Eastern Block countries, Sweden, Finland, Norway, France (for whiskey ads), and British Columbia, all have temporarily or permanently imposed bans on the advertising of alcohol beverage products. None of these bans have been found to lessen alcohol use or abuse in these countries.

In their article "The Alcohol Advertising Ban in British Columbia: The Problems and Effects of Beverage Consumption" (The British Journal, Vol. 7, 1976) R.G. Smart and R.E. Cutler conclude that a total ban on alcohol advertising in British Columbia did not lead to any noticeable decline in beer, wine or liquor consumption. Norway, Finland and Sweden placed total bans on advertising alcohol beverages in the 1970's. After the ban, Sweden and Finland did not experience any change in consumption (Sober Facts on Advertising for Alcoholic Beverages, ZAW edition, p. 37, 1983), while Norway's consumption trended upward over eight straight years after the ban in 1973 (Norway Statistical Yearbook, 1972-1980). We know of no studies which establish that elimination of alcohol beverage advertising would decrease alcohol abuse. Why should we run an experiment on the effects of an alcohol advertising ban in our country when this test has been tried in numerous other countries and failed?

Furthermore, there is no evidence in scientific studies that finds advertising to be a significant factor in the causes of alcohol abuse. Therefore, as alcohol advertising does not create these problems, banning advertising cannot solve them.

A ban on alcohol beverage advertising would not help to accomplish the objective of eliminating alcohol abuse nor would it be in the public's best interest.

Imposing such restrictions would be detrimental to a free market system. It is illogical and inappropriate to deny consumers truthful information about products that are lawfully produced and sold. Product information, as in the case of alcohol advertising, performs a valuable function for millions of moderate drinkers. In essence, it communicates the right to brand choice and free competition.

The Supreme Court has recognized these considerations in finding that commercial speech deserves First Amendment protection. As the Court has stated:

> So long as we preserve a predominantly free enterprise economy, the allocation of our resources in large measure will be made through numerous private economic decisions. It is a matter of public interest that those decisions, in the aggregate, be intelligent and well informed. To this end, the free flow of commercial information is indispensable.

Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council, Inc., 425 U.S. 748, 765 (1976).

For these reasons, we strongly believe the proposed broadcast advertising ban of beer and wine would be unconstitutional. The Supreme Court has ruled that truthful advertising may be banned only under very limited circumstances and that such a ban is unconstitutional "unless it directly advances the governmental interests asserted" and "is not more extensive than necessary." Central Hudson Gas & Electric Corp. v. Public Service Commission, 447 U.S. 557, 566 (1980). See also Bolger v. Youngs Drug Products Corp., 103 S.Ct. 2875, 2881-85 (1983).

Banning the broadcast advertising of beer and wine fails both tests. It will not cure alcoholism, or deter drunk drivers, and, in all probability, it will not even affect consumption, much less abuse. A ban is overly broad in that it does not directly attack the problems of alcohol abuse. There are a variety of alternate measures that are available against drunk driving and alcoholism that are less restrictive -- indeed not at all restrictive -- of commercial free speech and are likely to be far more effective in resolving these serious problems. Raising the drinking age, imposing harsher penalties for selling or imbibing in violation of such age limitations, and heavily penalizing drunk driving are some examples. They can be augmented by stepping up traffic, bar and store checks to intensify enforcement. Alcoholism prevention, education and treatment programs on a national and local level are other feasible approaches. None of these approaches would violate the First Amendment. A beer and wine advertising ban would.

The A.A.A.A. and A.A.F. also strongly oppose the idea of mandated counter-advertising. This proposal would create extremely dangerous new precedents. Clearly, this proposal is a major divergence from present Federal Communications Commission practice. Such divergence would have to be predicated on the misuse of alcohol products. But, clearly, virtually any product can be misused. Will we have counter-advertising for all of the myriad other products that can be misused?

Our concern over alcoholism and drunk driving should not blind us to the fact that total alcohol consumption in the last several years in the United States is down, not up (as reported by the Bureau of the Census, U.S. Department of Commerce and the Distilled Spirits Council of the United States, Inc.). If the critics of alcohol advertising are correct, how do they explain this fact?

Any discussion of further attempts to restrict advertising would not be complete without identifying the regulatory mechanisms which are already in place.

The alcohol beverage category is already heavily regulated by Federal and state agencies. Federal agencies that currently impose regulations include the Bureau of Alcohol Tobacco and Firearms (BATF) and the Federal Trade Commission (FTC).

The BATF, in the Deparment of the Treasury, through the Federal Alcohol Administration Act (FAA Act), regulates the advertising of distilled spirits, wine and malt beverages. Section 5f of the FAA Act makes it unlawful to publish, broadcast or otherwise disseminate advertisments that are:

1. Deceptive or misleading
2. False or obscene
3. Inconsistent with statements required to appear on the label.

The FAA Act also requires that alcohol beverage ads provide adequate information as to product identity or quantity; and the FAA Act empowers the BATF to prevent any statements in advertising that are inconsistent with statement required to appear on the label.

The BATF has the power to enforce its authority against false, misleading or deceptive advertising through civil and criminal penalties. As recently as August 8, 1984, the BATF updated current regulations and promulgated new regulations in a number of areas. At that time the BATF stated that they are considering further rulemaking, in the areas of athletes and athletic events, the possible incorporation of voluntary industry advertising codes, and standards on the use of "Light" (lite) as the term applies to the labeling and advertising of wine, distilled spirits, and malt beverages.

The Federal Trade Commission has the authority under Section 5 of the FTC Act to regulate false or deceptive advertising. The FTC can ban false or deceptive ads, or require modification of such ads that create a misleading impression.

In addition to governmental regulations, there exist self-regulatory guidelines for alcohol advertising developed voluntarily by the advertising community. Codes, standards and procedures have been established by involved communications industries such as the three major television networks, the U.S. Brewers Association, the Wine Institute, and advertising organizations and their associations.

In conclusion, we cannot overstate the importance and necessity for a long term commitment and comprehensive effort by society to address the complex problem of alcohol abuse. Our associations pledge to the Senate Subcommittee on Alcohol and Drug Abuse that we will continue to volunteer the high level of public service advertising to combat alcoholism and drunk driving. We will utilize our communications skills to work cooperatively with other groups to come to grips with these serious problems.

It would appear that the committee has two options. The first is to deal with this subject on a subjective, emotional and ideological basis, as the critics would propose. The second is to deal with it on a factual and objective basis, and to enlist the help of the beverage industry and the advertising and communications industries, so that these very real problems can be solved.

Senator **Hawkins**. Thank you, Mr. Matthews.

Next we have with us briefly Craig Smith, who is president of the Freedom of Expression Foundation. Welcome.

Dr. **Smith**. Thank you, Senator, and Senator Packwood thanks you for allowing me to appear today. The Senator and I put the Freedom of Expression Foundation together approximately 2½ years ago to look into extending first amendment rights and to investigating the history of the first amendment in this country.

In a recent filing before the Federal Communications Commission and in testimony before the FCC tomorrow, I will reiterate the foundation's position that had the Founders foreseen the possibility of electronic publication, they certainly would have afforded it protection, along with the printed press, under the first amendment.

As Senator Packwood is fond of pointing out, there were only eight daily and 26 weekly newspapers in this country in 1791 when the first amendment was passed. Scarcity of communication channels was not an issue for the Founders.

Surely, they would have protected the approximately 10,000 radio stations and nearly 1,200 television stations in existence today. That is why it seems unfair to us to single out broadcasters for advertising bans.

But allow me to move from the general first amendment environment we seek to establish in this country to the specific case of advertising. In a recent case, a public interest group filed a complaint which alleged that the three television networks violated the Fairness Doctrine when they rejected a request to balance the issue raised in a 60-second spot announcement for the United Way.

These announcements showed a football player visiting with the United Way and ended with "Thanks to you, the United Way works for all of us." The complainant argued that the manner in which the United Way distributed its funds was controversial and that the ad implictly endorsed the procedure.

The U.S. Court of Appeals for the DC Circuit ruled that the United Way ads were not controversial, that the Fairness Doctrine applied only when the broadcast statement amounted to advocacy of a position on one side of an ongoing controversy, and the statement obviously and substantially addresses the issue in a meaningful way.

To avoid the time and expense of defending before the FCC their decision to air issue advertisements, broadcasters often refuse to accept them. The public is therefore denied access to valuable and important information.

The American public recognizes that corporations have a right to participate in the free flow of ideas. A recent poll indicated that 85 percent of the public thought that corporations should be allowed to use television advertising to present their views on controversial issues.

Corporate America represents a great storehouse of information and knowledge which is a vital ingredient in determining sound public policy. To deny corporations, large and small, the right to use television to speak out on vital issues of the day is to deny all Americans the opportunity to sample an important source of information.

In *New York Times Company* v. *Sullivan* in 1964, the Supreme Court reaffirmed this proposition when it stated that we are a nation committed to, "the principle that debate on public issues should be uninhibited, robust and wide open."

To take advertising options away from consumers is patronizing at best and unhealthy at worst. Senator Eagleton earlier raised the question about some of these decisions and I would like to look at them just briefly. In my full statement, which I have entered into the record, there are extensive footnotes which you have to read when you talk about Supreme Court cases. For now, let me just synthesize what I think those cases said.

The Supreme Court said it best in 1976 in *Virginia State Board of Pharmacy* v. *the Virginia Citizens Council.* I quote from that decision: "People will perceive their known best interests if only they are well enough informed, and the best means to that end is to open channels of communication rather than close them."

In fact, I think it would be essential for this committee to carefully examine case law that has developed on the issue of commercial speech. We have come a long way from *Valentine* v. *Christensen* in 1942, where the Supreme Court concluded that the first amendment simply did not apply as respects purely commercial advertising.

In 1975, as Senator Eagleton pointed out earlier, in *Bigelow* v. *Virginia,* the Supreme Court recognized that commercial speech should be protected by the first amendment. In *Virginia Pharmacy,* cited above, all doubt was laid to rest. The Court argued that to be informed, consumers needed the information that was provided in commercial speech.

Said the Court, "As to the particular consumer's interest in the free flow of commercial information, that interest may be as keen, if not keener by far, than his interest in the day's most urgent political debate."

Finally, in 1980, in *Central Hudson Gas* v. *Public Service Commission,* the Court said that commercial speech could only be limited if it was found to be misleading, false, or related to illegal activity.

In later cases, the Court reaffirmed this position establishing a standard where the degree of regulation allowed is proportional to the degree of deception. Clearly, any attempt to ban advertising would have to meet the strict test which the Supreme Court has set forth and the constitutional tests set down by our Founding Fathers when they put the Constitution together and added as the first amendment the right of freedom of speech and press.

We hope that this committee and other people looking at this issue will continue to give parity to broadcasters, along with the printed media, so that the free flow of information in our democratic society can continue to be vigorous and robust.

I thank you again for the time to make this statement, Senator.

[The prepared statement of Dr. Smith follows:]

FREEDOM OF EXPRESSION FOUNDATION

TESTIMONY OF DR. CRAIG R. SMITH, PRESIDENT OF THE FREEDOM OF EXPRESSION FOUNDATION, BEFORE THE SUBCOMMITTEE ON ALCOHOL AND DRUG ABUSE, FEBRUARY 7, 1985

Clearly, the First Amendment was added to our Constitution to protect and to encourage freedom of speech and press. But because Congress believed the airwaves were a scarce public resource, it acted over fifty years ago to restrict the First Amendment rights of broadcasters. After two years of intensive research, the Foundation has concluded that the restrictions on content which derive from the Communications Act of 1934 are no longer warranted, if in fact they were justified in the first place.[1]

But the place to start if you want to come to a full understanding of why the Fairness Doctrine and other restrictions should be removed is with the two hearings held on the subject by the Senate Commerce Committee in 1982 and in 1984. The experts from the fields of science and communications proved conclusively that there no longer exists any scarcity of channels for the free flow of opinion over the airwaves.[2]

In a recent filing before the Federal Communications Commission, and in testimony before the FCC tomorrow, the Foundation will reiterate its position that had the Founders foreseen the possibility of electronic publication, they certainly would have afforded it protection along with the printed press under the First Amendment.[3] As Senator Packwood is fond of pointing out, there were only eight daily and 26 weekly newspapers in this country in 1791 when the First Amendment was passed. Scarcity of communication channels was not an issue for the Founders.[4] Surely, they would have protected the approximately 10,000 radio stations and nearly 1,200 television stations in existence today.[5] That's why it seems unfair to single out broadcasters for advertising bans.

But allow me to move from the general First Amendment environment we seek to reestablish in this country to the specific case of advertising. In 1968, the U.S. Court of Appeals for the D.C. Circuit upheld an FCC ruling that required radio and television stations which carried cigarette advertising to devote a significant amount of broadcasting time to the presentation of the case against cigarette smoking. Banzhaf v. FCC, 405 F.2d 1082, cert. denied 396 U.S. 842 (1968). In the Banzhaf case, the court dispensed with the First Amendment arguments of the tobacco and broadcasting industries by arguing that "the speech [product advertising] which might conceivably be chilled by this ruling barely qualifies as constitutionally protected speech." The Banzhaf case opened a regulatory can of worms because it basically held that if an advertisement raised an issue of public importance, the Fairness Doctrine would be applied.

Public interest groups moved quickly to take advantage of the FCC's cigarette precedent. They argued that the Fairness Doctrine should apply to all other product advertisements which raised important and controversial issues, including those for high test leaded gasoline[6], snowmobiles[7], and trash compactors.[8] One group even argued that advertisements designed to recruit volunteers for military service raised a controversial issue.[9]

In 1969, Congress passed the Public Health Cigarette Smoking Act which, among other things, prohibited the advertising of cigarettes on radio and television. With exception of the public service announcements that broadcasters put on the air, information on both sides of the debate over smoking was removed from the public view. Although the controversy over cigarette advertising subsided, the regulatory situation regarding advertising in general remained uncertain and inconsistent.

"Issue" advertisements are paid announcements that advocate ideas instead of selling products, a distinction that would drive a semanticist crazy. The Commission considers these advertisements to be "paid editorials" which the sponsor uses to make a "meaningful contribution to the public debate" on a given issue. This raises a significant problem for broadcasters, advertisers, and the public-at-large. Many corporations, Mobil Oil and Anheuser Busch, for example, sponsor both product and issue advertisements. Commission policy, however, is vague when it comes to providing objective guidelines for broadcasters to delineate between what is a product and what is an issue advertisement.

Nor have the courts clarified the delineation between issue and product advertising. In a recent case, a public interest group filed a complaint which alleged that the three television networks violated the Fairness Doctrine when they rejected a request to "balance the issue" raised in 60-second spot announcements for the United Way. These announcements showed a football player visiting with the United Way and ended with "thanks to you" the United Way "works for all of us." The complainant argued that the manner in which the United Way distributed its funds was controversial, and that the ads implicitly endorsed the procedure. The U.S. Court of Appeals for the D.C. Circuit ruled that the United Way ads were not controversial, that the Fairness Doctrine applied only when the broadcast statement amounted to advocacy of a position on one side of an ongoing controversy, and that statement obviously and substantially addresses the issue in a meaningful way.[10]

To avoid the time and expense of defending before the FCC their decision to air issue advertisements, broadcasters often refuse to accept them. The public is therefore denied access to valuable and important information. The American public recognizes that corporations have a right to participate in the free flow of ideas. A recent poll indicated that 85% of the public thought that corporations should be allowed to use television advertising to present their views on controversial issues.[11] Corporate America represents a great storehouse of information and knowledge which is a vital ingredient in determining sound public policy. To deny corporations, large and small, the right to use television to speak out on the vital issues of the day is to deny all Americans the opportunity to sample an important source of information.

In summary, under current rules, businesses are allowed to advertise their products and the product's merits, but issue advocacy, even in purchased advertising time, triggers the Fairness Doctrine. In 1974, the FCC refined this distinction. It wrote that these rulings apply the fairness obligation to those advertisements "which are devoted in an obvious and meaningful way to the discussion of public issues."[12]

Let's take a case in point. Lee Iacocca, the irrepressible Chairman of the Chrysler Corporation, can talk about his cars in his commercials; he can talk about the merits of their Japanese engines; but if he wants to talk about mandatory seat belt laws, which he favors, or air bags, which he opposes, most stations will not run his commercials for fear of being asked for free time to respond to Iacocca's paid advertisements. And those complaints have required a full hearing by the FCC to reach resolution.[13]

Under such circumstances, the public is deprived of useful information. In the case of Lee Iacocca's commercials, the public is deprived of information that would help them decide whether there should be seat belt laws--laws which would undoubtedly save the lives of many of the victims to which this committee will be giving no little amount of attention. In the case of the United Way, station owners would be right to shy away from ads which would cause them to be hauled before the FCC on a fairness complaint. Who loses in that case? Isn't it the child that receives benefits from the United Way program? Isn't it the cripple who receives rehabilitation treatment from a United Way program?

That's why the Freedom of Expression Foundation strongly supports repeal of the so-called Fairness Doctrine. And that's why Senator Proxmire, who had it codified in 1959, has changed his mind and wants it removed from the books once and for all.[14] He is not alone; the effort is bipartisan.[15]

Banning Beer and Wine Advertisments

Within the area of restrictions on advertising comes the specific topic that this Hearing addresses: Should beer and wine advertising be restricted? We believe such a ban would violate the

Constitution and would deprive consumers of information important to their marketing choices. Our nation has always been committed to ensuring that more information, not less, is available to the public. In New York Times Company v. Sullivan, 376 U.S. 254 (1964), the Supreme Court reaffirmed this proposition when it stated that we are a nation committed to "the principle that debate on public issues should be uninhibited, robust, and wide-open."

First, beer and wine advertising provides a way by which consumers become familiar with products that can serve as alternatives to hard liquor.[16] Many surveys show that while consumption of hard liquor declined on a per capita basis between 1973 and 1980, wine, particularly white wine consumption, increased.[17] This shift in market preference is one that probably would have been impossible without television advertising. Now these same studies show that over the last four years, beer and wine consumption has levelled off, despite heavier advertising by each group.[18] The evidence indicates that Americans have over the last decade changed their drinking habits and often rely on advertising to help them decide between brands. There is no evidence to support the conclusion that advertising increases consumption where there was no consumption of alcohol in the first place.

Second, beer with a lower calorie count--"light beers", as they have been called generically--are better for some consumers, not because of alcohol content but because of their use in weight reduction. Weight reduction helps prevent heart disease and other killers. It would have been impossible for those products and their healthful effects to have broken into the consumers' awareness, let alone win a share of the marketplace, without television advertising. The ban of such advertising would do a great disservice to consumers. It would be absolutely essential for a cost benefit analysis to be done on this issue alone before any restrictions were placed on the advertising of these products.

Third, the introduction of low-alcohol products such as LA Beer would have been impossible without radio and television commercials. Ironically, the very goal many seek of reducing the amount of alcohol people consume with each drink would be prevented by an advertising ban of beer and wine.

Fourth, the evidence also shows that advertising bans do not necessarily lead to a decrease in consumption. The cigarette advertising ban imposed years ago has failed to make major dents in the consumption rates of cigarettes.[19] If commercial bans on a product the Surgeon General warns us about failed to reduce consumption significantly, it is difficult to believe that restricting advertising on a non-harmful product will have any effect. To take advertising options away from consumers is patronizing at best and unhealthy at worst. The Supreme Court said it best in 1976 in Virginia State Board of Pharmacy v. Virginia Citizens Council: "[P]eople will perceive their known best interests if only they are well enough informed, and...the best means to that end is to open channels of communication rather than close them."[20]

In fact, I think it would be essential for this committee to carefully examine case law as it has developed on the issue of commercial speech. We have come a long way from Valentine v. Christensen, 316 U.S. 52, 54 (1942), where the Supreme Court concluded that the First Amendment simply did not apply "as respects purely commercial advertising."

In Bigelow v. Virginia, 421 U.S. 809 (1975), the Supreme Court recognized that commerical speech should be protected by the First Amendment. In Virginia Pharmacy cited above, all doubt was laid to rest. The Court argued that to be informed consumers needed the information that was provided in commercial speech. Said the Court: "As to the particular consumer's interest in the free flow of commercial information, that interest may be as keen, if not keener by far, than his interest in the day's most urgent political debate." 425 U.S. at 763. Finally, in Central Hudson Gas v. Public Service Commission, 477 U.S. 557 (1980), the Court said that commercial speech could only be limited if it was found to be misleading, false, or related to illegal activity. In re RMJ, 102 S.Ct. 929, 937 (1982) reaffirmed this position; the Court establishing a standard where the degree of regulation allowed is proportional to the degree of deception.

Clearly, any attempt to ban advertising would have to meet the strict tests which the Supreme Court has set for it.

Solutions

The answer to excessive consumption of alcohol in this country is not to punish the innocent consumer who uses advertising to help him make rational decisions about the marketplace and his health needs. Rather the solution to the problem is to punish or treat those who abuse alcohol with remedies that have proven successful. This is not an area the Foundation specializes in, but even a cursory reading of the available studies indicates that the following remedies should be used before we turn to a restriction on freedom of expression.

First, states should be encouraged to pass mandatory seat belt laws. Studies demonstrate that traffic deaths can be cut as much as 50% by such laws.

Second, drunk driving laws and awareness of them should be strengthened among the members of the public. We applaud the efforts of Mothers Against Drunk Driving and Students Against Drunk Driving for their heroic efforts to bring this issue to the attention of the public and in the statehouses of this country. We believe that their message is a valuable one, and one that would have an easier time making the airwaves if the Fairness Doctrine were repealed.

Third, the Federal Trade Commission, the Bureau of Alcohol, Tobacco, and Firearms, and the Surgeon General have the power to declare alcohol hazardous to our health if that is warranted. Furthermore, these agencies have oversight powers if ads misrepresent products, and they can even require the labelling of these products if a health hazard should be brought to consumers' attention.[21]

Fourth, this body and other official legislative bodies should continue to encourage broadcasters to keep up the excellent job they have been doing on this subject. Even before this issue was raised, the networks began curtailing the appearance of alcohol in their programs where such an appearance was purely gratuitous. The networks' movies-for-television have been highly rated and effective in attacking this problem. After one recent CBS presentation, Not My Kid, First Lady Nancy Reagan appeared and suggested readings on drug abuse.

The National Association of Broadcasters' study of local broadcasters shows that their efforts have been nothing short of heroic.[22] Nine out of ten stations aired public service announcements on drunk driving and alcohol abuse. Half produced their own public service announcements at their own expense. 80% aired stories about the subject on local newscasts. Over 65% aired full length public affairs programs on the subject. But given the danger of fairness complaints which have been triggered on such topics as mandatory seat belt laws and United Way appeals, we suggest that broadcasters would be doing a lot more if they were allowed to exist in a First Amendment environment.

Furthermore, the advertisers themselves have imposed codes of good practice, along with the producers.[23] The code of the brewers' industry strongly discourages ads which "encourage overindulgence." These self policing efforts show good faith on the part of those affected by this hearing, but more important, these efforts are much more in the tradition of American individual liberty and healthy competition than is government regulation of public expression. Only in the open marketplace of ideas can the private citizen educate him or herself on what is healthful, or harmful, enjoyable or painful. Once that education has been provided, it is up to the individual to make the rational choice in a free society. The government should not infringe upon that right unless it has clear and ample evidence to prove that the individual is being deceived, or by his choice, endangers the freedom of others.

It is clear that means other than First Amendment violations are possible to solve the problem of drunk driving and alcohol abuse. Given those alternatives, I respectfully suggest on behalf of the Freedom of Expression Foundation that we embrace them while enhancing what Thomas Jefferson called the free marketplace of ideas.

FOOTNOTES

1. See Freedom of Expression Act of 1983: Hearings Before the Senate Comm. on Commerce, Science and Transportation, 98th Cong., 2d Sess. 7, 9 (1984) (Statement of Dr. Craig R. Smith, President, Freedom of Expression Foundation).

2. See Freedom of Expression: Hearings Before the Senate Comm. on Commerce, Science and Transportation, 97th Cong., 2d Sess. (1982). Freedom of Expression Act of 1983: Hearings Before the Senate Comm. on Commerce, Science and Transportation, 98th Cong., 2d Sess. (1984).

3. Notice of Inquiry in Gen. Docket No. 84-282, FCC 84-140, 49 Fed. Reg. 20317 (Comments of the Freedom of Expression Foundation filed September 5, 1984).

4. John C. Armor, Substance and Shadows, The Original Meaning of Freedom of the Press, (Washington, D.C.: Freedom of Expression Foundation, 1984).

5. FCC v. League of Women Voters of California, ___ U.S. ___, 104 S.Ct. 3106 (1984) at nn. 11, 12. In Footnote 11 the Court stated:

> The prevailing rationale for broadcast regulation based on spectrum scarcity has come under increasing criticism in recent years. Critics, including the incumbent Chairman of the FCC, charge that with the advent

> of cable and satellite television technology, communities now have access to such a wide variety of stations that the scarcity doctrine is obsolete. See, e.g., Fowler & Brenner, A Marketplace Approach to Broadcast Regulation, 60 Tex. L. Rev. 207, 221-226 (1982). We are not prepared however, to reconsider our long-standing approach without some signal from Congress or the FCC that technological developments have advanced so far that some revision of the system of broadcast regulation may be required.

And in Footnote 12 the Court said:

> We note that the FCC, observing that "[i]f any substantial possibility exists that the [fairness doctrine] rules have impeded, rather than furthered, First Amendment objectives, repeal may be warranted on that ground alone," has tentatively concluded that the rules, by effectively chilling speech, do not serve the public interest, and has therefore proposed to repeal them....Of course, the Commission may, in the exercise of its discretion, decide to modify or abandon these rules, and we express no view on the legality of either course. As we recognized in Red Lion, however, were it shown by the Commission that the Fairness Doctrine "has the effect of reducing rather than enhancing" speech, we would be forced to reconsider the constitutional basis of our decision in that case. 395 U.S. at 393.

6. See Friends of the Earth, 24 FCC 2d 743 (1970), rev'd, 449 F.2d 1164 (D.C. Cir. 1971). Also see Nekritz v. FCC, 502 F.2d 411 (1974).

7. See Peter C. Herbst, 40 FCC 2d 115.

8. See John S. MacInnis, Consumers Arise Now, 32 FCC 2d 837.

9. Green v. FCC, 447 F.2d 323 (1971).

10. National Committee For Responsive Philanthropy v. FCC, 652 F.2d 189, 191 (1981).

11. Advocacy Advertising by Corporations, Opinion Research Corporation of Princeton, New Jersey, September, 1980, p.10.

12. See The Handling of Public Issues Under the Fairness Doctrine and the Public Interest Standards of the Communications Act, 48 FCC 2d 1, 24-26 (1974). See also in re Elimination of Unnecessary Broadcast Regulation, 54 R.R. 2d 1043, 1049 (1983).

13. See National Committee for Responsive Philanthropy v. FCC., 652 F.2d 189, 191 (1981).

14. Senator Proxmire has introduced his bill in almost every session of Congress since 1961. This year, the bill is S. 22, 99th Cong., 1st Sess. (1985).

15. See S. 1917, which would have repealed the Fairness Doctrine and was introduced in 1983. It was co-sponsored by Senators Goldwater and Packwood.

16. See Howard T. Blane and Linda Hewettt, Mass Media, Public

Education, and Alcohol: A State-of-the-Art Review (Prepared for the National Institute on Alcohol Abuse and Alcoholism, February, 1977.); Nicholas Dorn and Nigel South, *Message in a Bottle* (Brookfield, Vermont: Gower Press, 1983); James Barnes, *Per Capita Consumption of Alcohol: An Examination of the Relative Importance of Advertising and Other Factors* (Canada, 1984).

17. See U.S.D.A., *Food Consumption, Prices and Expenditures, 1963-1983* (Economic Research Service, November, 1984).

18. *Ibid*.

19. A recent survey by Barnes (1984, see citation above) revealed that advertising bans of cigarettes have failed to decrease smoking on a per capita basis. This study reinforces the findings of others. See, for example, P.R.J. Sinnott, R.J. Gillian and P.W. Kyle, "The Relationship Between Cigarette Advertising and Total Cigarette Consumption in the U.K." (London: Meta Consulting Group, 1977); E.E. Levitt, "The TV Cigarette Ad Man: Unexpected Fall-Out," *World Smoking and Health* (#2,1977) pp. 4-8.

20. 425 U.S. 748, 770 (1976). See also *Central Hudson Gas and Electric Corporation v. Public Service Commission*, 447 U.S. 557 (1980).

21. See particularly Section 205 (f) of the Federal Alcohol Administration Act and Sections 5, 12, and 15 of the Federal Trade Commission Act. FTC Chairman James Miller concluded, "No major investigation is warranted into the advertising practices of the

alcohol industry." See Christian Science Monitor (May 7, 1984), p. 32.

22. "Public Affairs Survey Regarding Broadcasters' Contributions to Prevent Drunk Driving and Alcohol Abuse." (January 11, 1985).

23. See Code of Good Practice of the Distilled Spirits Council of the United States, November 15, 1983, which bans television advertising of hard liquor. Beer, wine and spirit industry representatives have been working with states for 20 years to develop a model advertising code. By 1975, 42 states had adopted requirements of the code.

Senator Hawkins. Thank you.

Mr. Fritts, good to see you again.

Mr. Fritts. Thank you, Madam Chairman. I appreciate the opportunity to participate in these hearings today. I suppose I would be remiss if I did not state my credentials as a parent of children who are 11, 15, and 21, who have all grown up in the electronic age, by the way.

My name is Edward O. Fritts and I am president of the National Association of Broadcasters, a trade association representing 4,500 radio stations and over 750 local television stations in America, including the major networks and the group operators.

On a personal note, for 22 years I have owned and operated small-market radio stations in the mid-South. As others today have pointed out, there is, in fact, a genuine problem in our society. And as broadcasters, radio, and television operators across this country, we are willing to work with any group on specific societal problems.

As you know, there is not one ounce of scientific evidence that links alcohol abuse and drunk driving to radio or television advertising. We share the concern of the problem of the misuse of alcohol with others. Our industry recognized this several years ago and has been very active for a number of years in broadcasting public service messages relative to the misuse of alcohol.

We have filed for the record our official comments, and hope that they will be included in your record today.

Senator Hawkins. They will be.

Mr. Fritts. Thank you.

I have chosen today to present a videotape, the first part of which encompasses how we as broadcasters handle advertising for beer and wine, and how we handle the subject of alcohol in our day-to-day broadcast programming.

We are cooperating with the U.S. Department of Justice Office of Juvenile Justice and Delinquency Prevention, examining the broad question of illicit drug and alcohol use by juveniles. This tape is excerpted from one which we produced for the Justice Department on behalf of radio and television stations across the country.

[A videotape was shown.]

Mr. Fritts. Madam Chairman, over a year ago, our board of directors established an alcohol and drug abuse task force, which, in turn, established with our liaison State broadcaster associations across the country, similar task forces in each and every State in our Nation.

Our intention was to help reduce the incidence of traffic accidents due to drunk driving. We are sending broadcast public service announcements via satellite to stations across the country on a regular basis. We have provided every radio and television station in the country with a community outreach kit on drunk driving, which includes sample editorials; sample community club speeches and other print materials to assist them in working with various local groups across the country.

In addition to that, broadcasters are utilizing more than just PSA's. We utilize editorials, public affairs programming, news stories, and other features in prime time. The next part of this tape includes public service announcements which have been developed for television by various State broadcaster associations across the country.

It is only a small sample and it is important to note that similar public service announcements have been produced and are being broadcast by the thousands every week on local radio stations across the country.

[A videotape was shown.]

Mr. **Fritts**. The next spot is from Arizona.

[A videotape was shown.]

Mr. **Fritts**. Now, the quarterback from the Green Bay Packers.

[A videotape was shown.]

Mr. **Fritts**. The next is the three competing news anchors from the city of Honolulu in Hawaii.

[A videotape was shown.]

Mr. **Fritts**. The next spot comes from the State of Maine.

[A videotape was shown.]

Mr. **Fritts**. Here is a young person with an important story from Nebraska.

[A videotape was shown.]

Mr. **Fritts**. The final spot is from the State of California.

[A videotape was shown.]

Mr. **Fritts**. Although we believe there is no connection between beer and wine advertising on radio and television and the misuse of alcohol, we are concerned. We are responsible, and we gladly invite any group to work with us toward finding solutions to these and other problems.

Thank you, Madam Chairman.

Senator **Hawkins**. Thank you, all of you.

Since the last one is fresh in my mind, when were the PSA's that you have just shown us broadcast?

Mr. **Fritts**. They started back last March. They have been running——.

Senator **Hawkins**. March 1984?

Mr. **Fritts**. March 1984, when we first organized our State broadcaster associations. But let me say that we have had PSA's running like this for literally decades.

Senator **Hawkins**. At what time do they broadcast?

Mr. **Fritts**. We have run a survey that shows about 92 to 93 percent of the stations, radio and television nationwide, have participated within the last 12 months, and about 25 percent of the public service announcements have run in prime time.

It is more important to note that many of the news features which run obviously are prime time, where the news directors focus on a drunk driving-related accident, and that in itself tells a very poignant story.

Senator **Hawkins**. Well, that was not designed, though; that is just the accident of the day.

Mr. **Fritts**. Well, it might be, but nonetheless the focus has been on drunk driving. The news directors have become aware of that. I think that the real propulsion for this issue, obviously, is the national awareness of the drunk driving issue.

And, certainly, we think that it is the one area that we can all attack responsibly and talk about in terms of taxi rides home for people who have been indulging so that we can promote safety on our highways.

Senator HAWKINS. And you heightened that, I believe, during the holidays?

Mr. FRITTS. We have heightened that during the holidays, and we had outstanding results. In south Florida, for instance, we understand there were 3,000 impressions by radio stations alone just in south Florida. California broadcasters, during the holiday season, had 16,000 impressions of those and other spots that they have been running, and that is in addition to our plan for prom night, our plan for Operation Graduation, which we plan to send via satellite to stations around the country for those particular seasonal campaigns.

Senator HAWKINS. Do you have other plans for the future?

Mr. FRITTS. We do indeed, and I think our campaign is very extensive. We are working with various groups such as the Mothers Against Drunk Driving. We will be launching a national campaign with them shortly. We will be working with the Students Against Driving Drunk. The National Federation for a Drug Free Youth—we will be working with those people and other groups that are interested in working together to combat a mutual problem.

Senator HAWKINS. I believe one of the gentleman who spoke on the video tape contradicts himself when he says alcohol advertising does not affect behavior, but says, "we have examined 'Dallas,' which kept Scotch whiskey on the market and heightened their sales; 'we have now cut that down.' "

I mean, in the same sentence he gave—he shot himself in the foot is what he did. In "Dallas," that is not unusual. [Laughter.]

They tell me; I have never seen it.

Mr. FRITTS. I think the fact that the awareness of broadcasters looking at today and looking toward the future, increased. We have realized that perhaps we should move in a different direction and voluntarily without legislation, without Government fiat, we are, in fact, moving in that direction for a better society.

Senator HAWKINS. And we are right behind you.

I am interested, also, in daytime TV. I don't usually watch daytime TV, but when I am in traction in the hospital, I am captive. I have never seen more garbage in my life as is on that from 9 in the morning until the 6 o'clock news comes on. The news is refreshing, after that. I mean, the news is suddenly good if you have watched that garbage all day long.

I think your association has to also review not just "Dallas" and "Dynasty," which is evening time, when hopefully the kids are in bed or doing their homework so they can pass their SAT tests, but daytime, where we have so many impressionable people, young and old, who watch this. And I will call it garbage; I do not think there is anything educational about that all day long.

The day I watched maybe is unusual. We have an abortion every hour, we have a divorce every 30 minutes, and constantly glasses filled with something. Maybe it is water, I do not know. It certainly gives the impression that there is a lot of drinking going on during the daytime.

I mean, "I Love Lucy," still has a lot of attention and is still a great show to watch, and I never realized why because I watched it as a kid and I just wondered why it is still having such following. I can see why now after 1 day of exposure to the trauma that young people may think is normal in everybody's home, and I want to tell them on a daily basis that that is not the way the real world works. You do not have 15 minutes' worth of high episodes with confrontation and alcohol and all the other negatives.

And I get the feeling maybe children feel that that is the real life and that they are not in the real world; that maybe their lives should be as traumatic as those lives they see on TV. I was surprised when the World Series interrupted some of this daytime programming and my office received more calls from the senior citizens. Men wanted to watch the garbage instead of the ballgame. That is very un-American. [Laughter.]

Mr. FRITTS. To respond very briefly to that, Madam Chairman, we were instructed to bring you an edited tape, as brief as possible, which could explain the point.

What was edited out of that tape was this same man from Hollywood. Keep in mind broadcasters buy programming; we buy what is available, quite frankly. We do not make it. You need to understand that; that we have to buy what is on the market from Hollywood.

Senator HAWKINS. I understand.

Mr. FRITTS. And we do that, but the caucus of writers, producers, and directors are also, in their own words, targeting the daytime producers, writers, and directors to implement the same thing in the daytime programming that they have during prime time programming.

Senator HAWKINS. Yes. I have talked with many TV stars; they are very helpful—and have worked with me since I have been on this committee. Their goals are the same as any of you. They are parents too, but have a heightened responsibility because of their celebrity status.

Mr. FRITTS. If I might, Madam Chairman, just so that it does not go without response that daytime programming on television is garbage, perhaps what you saw that day was not particularly attractive to you.

However, there are over 1,000 local television stations with a different programming fare. In this market alone, there are five or six commercial stations, plus three or four educational stations as well.

I think we have a wide variety of programming which is available, including "I Love Lucy," for those that would like to tune to it. So we do have a wide variety. Maybe that particular set—since you were in traction, you could not get up to change the dial. [Laughter.]

Senator HAWKINS. It will never happen again, but I must tell you I like your programming for the Nation. I will be very selective where I go to traction next time. [Laughter.]

[The prepared statement of Mr. Fritts follows:]

STATEMENT OF

EDWARD O. FRITTS

NATIONAL ASSOCIATION OF BROADCASTERS

BEFORE

SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE

COMMITTEE ON LABOR AND HUMAN RESOURCES

UNITED STATES SENATE

FEBRUARY 7, 1985

EXECUTIVE SUMMARY

Broadcasters have been involved for many years in efforts to make the public aware of the dangers of misusing alcohol. Through news stories, local public affairs programs, editorials and public service announcements broadcasters have publicized the dangers of drunk driving. Broadcasters are working with local chapters of Mothers Against Drunk Drivers (MADD), Students Against Driving Drunk (SADD), the Parent Teachers Association (PTA), business and civic groups in sponsoring a variety of programs designed to help local communities reduce the problems associated with the misuse of alcohol.

Broadcasters oppose a ban on beer and wine advertisements or a mandatory counter advertising requirement. A ban would constitute unwarranted governmental intrusion into broadcasters' editorial and programming discretion. A free society should tolerate no restrictions on the responsible advertisement of legal products. Broadcasters ensure that beer and wine ads are tasteful and do not encourage misuse of alcohol. Moreover, no evidence establishes a link between beer and wine ads and the problems associated with misuse of these products; thus, a ban would be ineffective in reducing their misuse.

Mandatory counteradvertising for beer and wine ads also injects the government into the broadcasters' editorial process, contrary to decades of sound regulatory policy. Moreover, beer and wine do not present health risks per se, but only when misused. Mandatory counteradvertising for beer and wine ads would set a precedent for similar treatment of many other products that present health risks only when misused. Counteradvertising would constitute favored treatment for product-related issues and inevitably reduce the airtime available for many equally worthy charitable issues that do not happen to be product-related.

NOTE: An appendix accompanies this testimony.

INTRODUCTION

My name is Edward O. Fritts. I am the President of the National Association of Broadcasters, a trade association representing over 4500 radio and 700 television stations, including all the major networks and groups. I appreciate the opportunity to testify before this Subcommittee on the issue of broadcast advertising of beer and wine. On a personal note, I am a broadcaster and for most of my career owned and operated a group of small market radio stations.

NAB shares the Subcommittee's concern for the tremendous toll on society due to alcoholism and drunk driving. These are unquestionably important social problems. We welcome the opportunity to discuss the role of commercial broadcasting in the fight against alcohol misuse.

We are also grateful for the chance to dispel the myths and emotional allegations which attempt to link broadcasting to the problems of alcohol misuse.

INDUSTRY ACTION AGAINST ALCOHOL MISUSE SPANS MANY YEARS

Broadcasters, who are obligated by the Communications Act of 1934 to serve the needs and interests of their local communities, have for many years led efforts to inform the public about the dangers of irresponsible alcohol use, most particularly drinking and driving. The history of industry involvement includes NAB's Radio and Television Codes which contained strict standards governing the advertisement of beer and wine products. Since the dissolution of the Codes, the networks, groups and individual broadcast licensees have enforced standards of their own and scrutinized all beer and wine commercials.

Broadcasters' efforts to promote awareness of the dangers of alcohol misuse also in their programming have been underway for many years in local communities around the country. The growing national intolerance for drunk driving has been amplified and publicized by broadcasters around the nation in a variety of news stories, editorials, full-length public affairs programs and public service announcements. Besides their programming activities, broadcasters serve on civic boards devoted to fighting drunk driving and sponsor community services such as designated driver and dial-a-ride and "tipsy taxi" programs in conjunction with groups such as Mothers Against Drunk Drivers and Students Against Driving Drunk. These examples demonstrate that broadcasters are actively involved in a variety of programming and non-programming acvitities to combat alcohol misuse.

THE BROADCAST EFFORT AGAINST ALCOHOL MISUSE IS EXTENSIVE

The extent of broadcaster involvement in the fight against alcohol misuse is impressive. NAB conducted a survey of radio and television stations. **Ninety two** percent of those responding to the survey reported airing alcohol-related public service announcements during the period from April to September. Half of all stations have produced their own alcohol-related PSA's for broadcast; over **eighty percent** have aired stories about alcohol-related problems, such as drunk driving accidents, on their local newscasts. Over **two-thirds** produced their own full-length alcohol-related public affairs show. **Forty percent** of all stations participated in a variety of alcohol-related community activities in addition to their programming activities. These statistics demonstrate that the range of efforts by broadcasters to inform the public about the dangers of alcohol misuse extends to broadcasters' total programming and non-programming activities. Thus, the broadcasters' role must be considered in light of their contributions throughout the programming day rather than by a narrow comparison of alcohol commercials to PSAs.

Devoting airtime to alcohol education is the natural starting point of broadcasters' programming contributions to fighting alcohol misuse. NAB is encouraging broadcasters to be more active in community programs to promote responsible alcohol use. In January, 1984, at NAB's Annual Board Meeting, the Association announced the formation of the Alcohol and Drug Abuse Task Force to encourage and coordinate the broadcasting industry's activities in combating alcohol and drug abuse. Soon thereafter, nearly every state broadcast association established a state task force to foster state level broadcast activity.

State associations have produced and circulated PSA's in conjunction with local MADD, SADD, PTA, business and other community groups. The associations have also organized awareness campaigns with allied industries such as restaurant and automobile associations. In Washington, the Washington Regional Alcohol Program, composed of representatives from the Capital Centre, local broadcasters, automobile, insurance and local tavern and restaurant owners, produced the designated driver and dial-a-ride programs we witnessed during the recent holiday season. During the 1983 holiday season there was not a single alcohol-related highway fatality in Washington D.C. The Washington Regional Alcohol Program plans additional publicity campaigns throughout the year.

We believe that these programs are beginning to have an effect. Last July, the Iowa Department of Transportation reported that alcohol-related traffic fatalities had declined by more than one half for the first half of 1984, due in large part to the media exposure given to law enforcement efforts in that state. Authorities in Johnstown, Pennsylvania, which experienced not a single drunk driving fatality during the holiday season, attributed that statistic to media exposure of the problem of drunk driving. The State of Washington Traffic Safety Commission announced on January 8th that during the period between December 24, 1984 and January 2, 1985 there was not one alcohol-related traffic fatality in that state. Said the Director of that Commission on making the announcement, "The media's commitment to the drunk driving issue defies measurement".

To provide a data base from which the industry can draw ideas and information for alcohol-related activities, NAB established a clearinghouse for the collection and dissemination of alcohol-related programming ideas and activities. We have begun a regular monthly satellite feed of ideas and information from this clearinghouse to our industry. The input into our clearinghouse from the industry has been impressive. To date, the clearinghouse has received over 900 contributions and requests for information about drunk driving campaigns.

On December 3, 1984, NAB distributed by satellite 32 anti-drunk driving and drug abuse PSA's to all member and nonmember television stations for use during National Drunk and Drugged Driving Awareness Week (December 9-16) and throughout the the holiday season.

We are planning another, more ambitious campaign aimed at high school graduation, "Operation Prom/Graduation". In this project, NAB will again feed approximately 30 PSA's, the best of what we have collected from around the country, to all television stations. Additionally, broadcasters, with help from Students Against Driving Drunk and representatives from the automobile dealers and the soft drink beverage industry, will assist high school seniors around the country to plan and host non-alcoholic high school graduation celebrations. Through this program, celebrating seniors will receive not only some strong reminders about the possible consequences of improperly celebrating graduation with alcohol, but also, perhaps more importantly, a variety of non-alcoholic alternative means of celebrating graduation.

THE BROADCAST COMMITMENT IS GROWING

The future commitment from broadcasters to the fight against alcohol misuse will be even larger. NAB announced at its January, 1985 Board meeting the commencement of an industry-wide campaign urging broadcasters to pledge airtime to educate the public about these problems. We will be distributing pledge cards to all broadcasters for specific amounts of airtime including public service announcements, editorials, public affairs and other forms of programming devoted to the problems of alcohol misuse.

Thus, it is abundantly clear that broadcasters nationwide, independently and collectively through NAB and state associations, hear the concern for alcohol misuse and are responding with leadership and conscious effort.

ADVERTISING AFFECTS BRAND PREFERENCE AND NOT VOLUME OF DRINKING

While broadcasters are contributing to reducing the problems of alcohol misuse through programming and non-programming activities, it does not follow that broadcasters bear responsiblity for alcohol misuse. Broadcast advertising does not encourage people to misuse alcohol. The market for products such as beer and wine is mature and stable; and brewers and vintners use advertising in hopes of influencing a consumer's decision of which brand of beverage to drink rather than influence the decision to drink. They compete for market share among consumers of beer and wine largely with marketing programs that include broadcast, print and outdoor advertising as well as sponsorship of sporting events and other popular attractions.

BROADCASTERS ENSURE THAT BEER AND WINE ADS ARE TASTEFUL AND NONDECEPTIVE

Although the advertising campaigns are planned by the brewers and vintners and their advertising agencies, broadcasters make the final decision about what advertisements are carried over their stations. For example, the major broadcast networks individually maintain extensive commercial standards departments that carefully screen each advertisement for taste and appropriateness before airing. Advertisements that in any expressed or implied way encourage alcohol misuse of beer or wine are rejected. Few, if any beer or wine ads are produced for national or regional use unless they meet the individual network's standards. Moreover, the station groups and individual stations maintain their own scrutiny of beer and wine ads, particularly those produced for local use which do not come under the review of the network standards division.

In rare instances questionable advertisements may have been broadcast. In fact, the opponents of beer and wine advertising consistently point to a very small number of ads in their criticism of all beer and wine advertising, mostly advertisments that are no longer on the air. It is to the credit of these standards departments that when valid complaints about advertisements are received, action is taken. Through the individual actions of responsible broadcast licensees, the vast majority of beer and wine advertisements are appropriate and in good taste.

Critics of beer and wine advertising have pointed to late night and sports programming, in which many beer and wine commercials are placed, in arguing that "millions of small children are bombarded" with such commercials. However, fewer children watch sports and late night programming than any other program category or daypart.

They also criticize television programming for depicting excessive or glamorous drinking. Here again, the critics can point to only a very small number of programs. Moreover, experts note that the research conducted on this issue fails to establish any link between the viewing of drinking scenes and alcohol consumption or misuse.

However, the increasing sensitivity to misuse of alcohol in today's television fare is reflected in the conscious efforts of the Hollywood creative community. Two years ago the Caucus of Producers, Writers and Directors, examined the manner in which alcohol was being used in programs. In their white paper entitled, "We've Done Some Thinking", the Caucus urged that drinking scenes which are not necessary to the development of the plot or the characters be cut from scripts.

The Caucus has pointed to several examples, such as Dallas, Magnum P. I., and Hunter, in which gratuitous drinking scenes have been sharply reduced. Other programs such as Hill Street Blues, Cheers and Facts of Life deal seriously with alcohol related problems and use reformed alcoholics in leading roles. The Caucus has stated that it will continue to urge the creative community to remain sensitive to the unnecessary use of drinking behavior in television programming.

ADVERTISING BANS ARE INEFFECTIVE AND UNWARRANTED

A free society should tolerate no restrictions upon the advertisement of lawful products. Beer and wine are lawful products and broadcasters should be free to carry responsible advertisements for them. Broadcasters staunchly defend their First Amendment freedoms. Banning the advertisement of lawful products would gravely burden those rights.

A ban on beer and wine advertisements will have no effect on the problems caused by alcohol misuse. Bans are the first manifestation of a prohibitionist approach. History documents that the era of Prohibition was a failure that encouraged millions of law abiding citizens to flaunt the law and spawned organized crime.

The rationale for a ban, that beer and wine ads contribute to misuse of alcohol, is simply not supported by the evidence. Several European countries, including the entire Soviet Bloc either restrict or ban entirely the advertisement of alcohol beverages, yet they suffer abuse rates far in excess of the United States. Clearly, the absence of alcohol advertising has not lessened their alcohol-related problems.

In Canada, a neighboring country culturally similar to our own, bans did not serve their intended purpose. Analysis of bans in British Columbia and Manitoba revealed little or no effect on consumption levels.

The results of the ban on broadcast cigarette advertising also demonstrated the ineffectiveness of banning advertising in reducing consumption. Since the ban on broadcast cigarette advertising, cigarette consumption continues to rise.

Today, the percentage of heavy smokers is greater than ever. Significantly, teens who have never been exposed to broadcast cigarette advertisements continue to smoke at higher levels than would be expected for this age group if broadcast cigarette advertisements actually led to increased smoking. The experience with the ban on cigarette advertising should be evidence enough of the futility of a ban on beer and wine advertising.

Of course, a distinction must be made between cigarettes and alcohol because the Surgeon General's Report of 1964 expressed the consensus of years of medical research demonstrating that consumption of any amount of cigarettes posed a significant health risk to the consumer. In other words, there is no safe way to consume cigarettes. They are inherently dangerous to all consumers. Studies released since the 1964 Surgeon General's Report butress this finding and reemphasize the many dangers of cigarettes.

The same cannot be said for consumption of alcohol. The consensus of the medical community to date is that no link has been drawn between moderate consumption of beer and wine and any adverse health effects. Beer and wine are not inherently dangerous products. The cost to society of alcohol results from excessive or irresponsible consumption.

MANDATORY COUNTER ADVERTISING IS ALSO UNWARRANTED

Advocates offer mandatory counteradvertising as an alternative to an outright ban. This also is ill-advised. Such an intrusive policy would stray over the line of proper governmental regulation of the electronic media.

In 1934 Congress established the general standard by which broadcasters are judged in operating on the frequencies to which they have been assigned. That standard is service **in the public interest** to **local communities.** The FCC enforces that standard through its licensing and review procedures. Most importantly however, the discretion to determine how best to operate was logically and properly left with the broadcaster. A mandatory counteradvertising requirement would stand this sensible and successful regulatory structure on its head. Such a law would put Congress in the role of secondguessing the decisions of thousands of broadcasters all across the nation as to which public service announcement aired at which time period actually best serves the day-to-day needs and interests of their communities.

This decentralized system of responsiblilty, in which daily programming decisions are placed in the hands of broadcasters, respects journalistic First Amendment freedoms and protects the myriad of benefits which flow from those freedoms. Neither Congress nor the FCC has sought to dictate selection of PSA's, the the choice of which has been the sole prerogative of the broadcaster. As the programming editor, the broadcaster makes these selections based on the needs of the community. As a result of this system, the United States receives the finest broadcast service in the world. We hope Congress will not disrupt this system with an unwarranted counteradvertising proposal.

The precedent set by such a requirement also could be applied to a great many products which, like beer and wine are not inherently dangerous but whose misuse could have adverse health effects. Such products include automobiles, over-the-counter remedies, butter, salt, fast foods and soft drinks. Numerous existing groups would quickly approach Congress with demands for similar counteradvertising legislation. Congress then would be faced with the prospect of dictating major portions of the broadcast day.

The FCC's 1969 decision to treat cigarette advertisements under the Fairness Doctrine produced precisely that result. Advocates urged that the Fairness Doctrine be applied first to automobiles, then other products, and finally to every product. In 1974 the FCC finally admitted the error of its original cigarette decision and issued a ruling that henceforth product advertisements would not trigger Fairness Doctrine obligations.

Finally, every counteradvertisement Congress might require may reduce the opportunity for airing the many other equally worthy public service messages which do not happen to relate to a product whose misuse may produce adverse health effects. The economic nature of advertiser-supported broadcast programming imposes limits upon the number of public service announcements a broadcaster can carry free of charge. The practical result of a counteradvertising requirement for certain product-related causes would be that exposure for causes such as the Red Cross, multiple sclerosis, or world hunger and disaster relief would be accorded secondary status to those product related causes such as beer and wine advertising. Clearly, this result would not be in the public interest. The choice of how much airtime to devote to what public service announcement should reside with the broadcaster, who knows the needs and interests of the local community.

AN ADVERTISING BAN WOULD SIGNIFICANTLY HARM BROADCASTERS, ESPECIALLY SMALLER RADIO STATIONS

The loss of revenues from beer and wine advertising would have a profound effect on broadcast stations, especially radio stations. Let me emphasize that beer and wine are legitimate products that when used in moderation pose no adverse health risks to consumers.

Most affected by the loss of this advertising would be radio. The average radio station in 1983 generated a pre-tax profit of 7.29% on revenues of $587,100. Beer and wine advertising represents 12% of radio's national spot and network dollars. There are over 8,200 commercial radio stations in the nation serving local communities. Many are having financial problems at present. Clearly, the loss of this revenue would have dire consequences for literally hundreds of stations.

Most of these dollars support sports programming. Local and regional play-by-play accounts for team sports--basketball, football and baseball coverage would diminish, perhaps move to pay-per-view or disappear altogether. For instance, in the Washington, D.C. market, WJLA television carries the Atlantic Coast Conference game of the week often on weeknights in prime time. These broadcasts are avidly followed by an audience whose demographic profile is one of predominantly middle age males, many of whom are alumni or lifetime followers of these conference universities. Without beer advertising to support the regional consortium of stations that carry these games, this expensive type of programming requiring live on-location personnel and equipment could very well prove unprofitable and would force the station to discontinue these local and regional broadcasts. The station would revert to carrying the national network entertainment programming.

New advertisers are not waiting in the wings. We learned this during the past football season, with the proliferation of games and smaller audiences.

Moreover, the Nielsen data demonstrate that less than 3% of teens are in the sports audience. Clearly, those who assert that children are a high percentage of the sports audience are grossly mistaken.

The communications marketplace is experiencing exponential growth with hundreds of new stations, cable television, low power TV and other wizardry, while the number of advertisers remains relatively constant. Without beer and wine advertising revenues, competition can only be diminished and local service lessened.

THE COMPLEX NATURE OF ALCOHOL CONSUMPTION BEHAVIOR

Government agencies and private groups that have devoted millions of dollars over decades to the scientific investigation of alcohol and its problems have learned that abusive consumption patterns are tied to a complex array of psychological and physiological factors. Scientists believe that compared to the influences of family and friends or physiological factors, mass media exposure generally is one of the weakest or non-existent influences on consumption.

Scientists have shown that claims of the influence of advertising on consumption of alcohol, much less misuse of alcohol, are greatly exaggerated. Recent studies indicate that consumption levels of alcohol are determined by social and economic factors and have little if anything to do with the amount of advertising to which one is exposed.

Specialists in the field of alcohol abuse prevention and public safety recognize that a combination of approaches is needed to address the problems of alcohol misuse. For example, traffic safety studies indicate that the single most effective means of reducing alcohol-related traffic fatalities is stiffening law enforcement, including the use of sobriety road blocks. The Department of Transportation's "Evaluation of Alcohol Safety Action Projects" found that many more projects with public information and awareness campaigns achieved more positive results than did projects without public information efforts. Thus, broadcasters can and do significantly increase the effectiveness of these law enforcement efforts with their public awareness campaigns.

CONCLUSION

For years broadcasters have been actively involved in their local communities in the fight against misuse of alcohol. Concern for drunk driving has increased throughout the country, as has the level of broadcasters' commitment. Today broadcasters are involved in a myriad of programming and non-programming activities to inform the American public about the dangers of alcohol misuse. The experience of public safety and health officials confirms that public information and awareness campaigns through broadcast and other media can be effective in reducing drunk driving and other problems associated with the misuse of alcohol. Broadcasters will continue to play a leading role in the fight against alcohol misuse by informing the public about responsible use of alcohol.

The policy measures proposed by critics of beer and wine advertising, a ban or a mandatory counteradvertising requirement, are unwarranted and would not contribute to society's efforts to combat alcohol misuse. Broadcasters already exercise great care to ensure that all beer and wine advertisements are tasteful and do not encourage inappropriate use of alcohol. Moreover, scientific research links drinking behavior to a very complex array of psychological and physiological factors, and compared to these factors, broadcast advertising exerts the weakest or nonexistent influence on drinking. Furthermore, no credible evidence links broadcast advertising to the actual problems caused by misuse of alcohol.

The experience with banning cigarette advertising in the United States and the failure of beer and wine advertising bans to reduce alcohol misuse in other countries demonstrates that bans on beer and wine advertising in the United States would have no effect on reducing the problems related to misuse of alcohol.

Similarly, a mandatory counteradvertising requirement would place Congress in the role of dictating broadcasters' editorial and programming judgements, contrary to decades of broadcast regulatory policy and contrary to the basic premise underlying the First Amendment, "a free and unfettered press". A counteradvertising requirement would set a precedent that Congress would be pressured to apply to a plethora of other products that may present health risks when misused. Finally, mandatory counteradvertising forces broadcasters to accord special treatment to product-related causes, to the likely detriment of airtime for other equally worthy charitable causes.

Through voluntary public education, broadcasters are heavily involved in the fight against misuse of alcohol. Congress can continue to look to the broadcasting industry for leadership and responsiveness to this important societal concern.

Senator **Hawkins**. Mr. DeLuca, I am very impressed with your code. I feel that that is the way to go. I am also disturbed that all organizations in your industry do not belong. You had said that. Some belong, some do not; some signed up, some did not. I guess that is the way it is when——

Mr. **DeLuca**. Not really. Everybody in California——

Senator **Hawkins**. In California, but nationwide.

Mr. **DeLuca**. In terms of asking for parallel guidelines from the National Association of Broadcasters and from those wineries who are not members of the California scene or from foreign shores, the FTC in a letter to us enjoined us from seeking those parallel guidelines with the broadcasters for antitrust purposes and did not encourage us to seek that from the other wineries.

So we then, knowing that, and preferring private initiative, reluctantly went to the Treasury Department, to the Bureau of Alcohol, Tobacco and Firearms, and said in light of this FTC admonition to us, the only choice we have in the wine world is to seek a regulation that would apply to the vintners from the other States and from Europe and foreign shores.

So, essentially, in 1977 we started out seeking to have this nationwide and, again, for antitrust purposes—a copy of the letter is in your file that we submitted to you—we could not pursue that.

So we have come reluctantly—we prefer self-regulation, but we have come reluctantly to the approach seeking a regulation from the Government of the United States.

Senator **Hawkins**. The FTC is in the process of rulemaking right now, I believe, that may be of interest to you. What has been the reaction to your code in governmental circles?

Mr. **DeLuca**. Again, as part of our submission, we have had literally hundreds of letters from Federal, State, and local agencies and alcoholism leaders. And some of them, in the interest of space—instead of taking all of them, we just compiled a representative sample.

And I would not presume to read some of them, unless you gave me permission.

Senator **Hawkins**. We have another panel to hear from, and they are in your submission of your testimony.

Mr. **DeLuca**. In light of that, may I make another observation? The Soviet Union has been referred to several times.

I spent the years 1959 to 1962 in the embassy in Moscow, and that was long before I joined the wine world. It was part of my resume to the wine community.

At that time, I entered into discussions with several of the Soviet leaders and they shared with me the sense that they had low labor productivity and high incidence of alcoholism, and that they were launching as an alternative to vodka a program of massive plantings of vineyards in Moldavia and around the Black Sea, Soviet Georgia.

Today, the Soviet Union is the third leading producer of wine in the world, following Italy and France.

Senator **Hawkins**. How does it compare to California?

Mr. **DeLuca**. We are sixth and seventh, compared to the Soviet Union's third position in the world. And here is a society that has all the options available to it; it does not have to go through rulemaking; it does not have to go before press. It can choose whatever it thinks can meet its requirements, particularly in terms of labor efficiency and low labor productivity.

It is encouraging its people to have another option, not only in terms of its vineyards. It is one of the biggest buyers in the open market today of wine from the European Economic Community.

I submit this as pretty powerful testimony in terms of the question not only of advertising, but that we are talking about cultural moves; we are talking about ethnic and other habits.

Senator HAWKINS. Do you know how many people in Russia have a television set in their home?

Mr. DELUCA. I do not know the number. I would say because the Soviet Union uses television as a way of influencing its own people's behavior that it is a very, very high incidence. It is a very cheap way to continue to use Pravda and Isvestia every day as far as their editorials. It is ubiquitous.

When I traveled throughout the Soviet Union, I never saw a home that did not have a television set.

Senator HAWKINS. I would not know; they will not let me come. But I think it is important to note that Soviet TV is government-owned. They tell them what they want to tell them, and obviously the consumer has the free agency to do what they want to and they are still buying vodka at record levels.

I just wonder which athletes they use to—do they use athletes in these ads?

Mr. DELUCA. They do not use ads.

Senator HAWKINS. They just tell them.

Mr. DELUCA. That is right. It is part of the whole process of daily influence on the people.

Senator HAWKINS. Do you have any questions of this witness, Senator?

Senator EAGLETON. I have a couple, Madam Chairman. Thank you.

Dr. Smith, thank you very much for your prepared testimony on the appropriate cases. An initial threshold judgment that every Senator and House member has to make, whether he be a lawyer or not, is whether the potential enactment is, in fact, constitutional.

We are here to uphold the Constitution, as interpreted by the courts. There is obviously, in light of these cases that you have cited and I mentioned earlier, a constitutional question on a ban, a very serious one.

Is there, in your opinion, a constitutional question on mandated counteradvertising?

Dr. SMITH. Yes, I think there is, Senator. The main reason I feel that there is a constitutional question on that is because I believe—this gets a little complicated, but if you look at the recent ruling by the Supreme Court on the *FCC* v. *League of Women Voters in California*, there are two very important footnotes in that case.

They ask for an examination of the fairness doctrine to see whether it has a chilling effect on free speech in the country. If you had mandated counteradvertising, that might have a chilling effect on the main advertising, and therefore be unconstitutional. So I do think it raises that flag.

Senator EAGLETON. Well, quite possible, because the courts do look initially almost in every speech case—libel, slander, or what have you, if it is libel cases—to chilling effect and would look to it in this area as well.

Dr. SMITH. I think that the testimony here has indicated that there is information in at least some of these ads which help consumers make choices about diet, weight, the level of alcohol, and so on, and that is where we would be getting into, I think, an important public issue.

Senator EAGLETON. So that we know where you are coming from, what is the National Freedom of Express Foundation?

Dr. SMITH. It is the Freedom of Expression Foundation, and it was put together after hearings in 1982 that Senator Packwood held on the fairness doctrine, its impact on the political process, on public debate in this country.

It has a broad-based membership. There are unions that are members. Getty Oil, before it was swallowed by Texaco——

Senator EAGLETON. Is it funded by any of the participants here at the table?

Dr. SMITH. We have received membership contributions from the AAAA and from the NAB, but it is a very small part of our budget. Most of our money comes from corporate contributions. No brewery that I know of—I checked the record because I was afraid that question might come up.

Coca-Cola is a member of the foundation and they did own Sterling Vineyard, but I believe they sold it, so I think we do not have any brewers or people with alcohol interests as members of the foundation at this time.

Senator EAGLETON. They are not precluded from joining the foundation. [Laughter.]

We believe in freedom of expression. [Laughter.]

Senator EAGLETON. Freedom of participation.

Senator HAWKINS. Is this an ad?

Senator EAGLETON. Mr. DeLuca, did I hear you say in your code of advertising conduct that you had up on the charts that you all declared the use of professional athletes to be sort of unsportsmanlike conduct for wine advertising?

Mr. DELUCA. Senator, that is a very dramatic question that we had to face because there is an honest cultural development in the United States where many prominent athletes have gone into wine; many black athletes with high visibility in American society—most valuable player awards in basketball, baseball, football—who have started wine cellars and have come to us and asked for help in terms of creating these wine cellars, have gone to our seminars, have gone to our wineries.

So it is a legitimate cultural development that we could easily tap into as a legitimate expression of the interest in terms of wine and food and nutrition. But we made a conscious choice that in terms of the athletes that we—I am only speaking for the wine community; I am not speaking for anybody else—that we did not want to appear that we were appealing to young people.

Now, that is very difficult, again, for us because many of our people are of European heritage. I was raised as an Italian-American. I spoke Italian before I spoke English on the lower east side of New York.

At the age of 3, as part of my upbringing, there was a glass of wine on the table. And we certainly do not in any way as part of our lifestyle discourage our children from exposure to wine at the table. We think it is the best education that we could communicate to our children.

So on both fronts, both in terms of the athletes and in terms of youth, we had to recognize that we were in an Anglo-Saxon society; that the pioneers did not cross the Great Plains drinking Chenin Blanc, and that we were here, you know, having to recognize that in this society, in this century, there were two amendments to the Constitution of the United States, one which labeled us felons and made it a crime for us to be engaged in what we had inherited from our own European forefathers.

And so we had to recognize the society that we are in. As I mentioned in my testimony, it is the dynamism of women today that gives us a whole new development, is the motor force for all the changes that are occurring.

So we would rather stress the food, the family table, the ethnic heritage, rather than the athletes and the young people. It is really more a cultural choice than anything else.

Senator EAGLETON. Do you think your brewing brethren here with you at the table made a mistake in opting to go the other way?

Mr. DELUCA. I would not in any way cast any aspersions or any rocks on my beer brethren because they have their own heritage. In fact, you give me the opportunity to make an unsolicited statement, and that is what binds us all is that we have alcohol in our products.

As long as there is alcohol in our products, it can be abused, and therefore we are all part of the legitimate social debate in our country. But once you posit that, our heritage, our ethnic, our religious, our cultural backgrounds are so diverse.

So it is really more a cultural choice than it is any promotional or advertising decision. So we have made a cultural decision and the beer community, obviously, has made their own cultural decision.

Senator EAGLETON. Mr. Easton, when did Phillip Morris buy the Miller Brewing Co.?

Mr. EASTON. 1970.

Senator EAGLETON. 1970, and when did the Phillip Morris Co. start to extensively beef up advertising of Miller beer after that acquisition.

Mr. EASTON. The real change in the marketing direction and the increase in advertising and other market activities began approximately in 1972.

Senator EAGLETON. Mr. Shea, how many breweries were there in the United States, roughly, say, 30 years ago? That would be roughly 1955, in the earlier days of television.

Mr. SHEA. Well, at this time I could not give an exact number, but I can recount that in 1934 when, as Mr. DeLuca indicated, we were unfeloned, if you will, there were approximately 750 breweries in this country, and now there are less than 50 breweries left in the United States.

Senator EAGLETON. Would you cite as one of the significant reasons—indeed, perhaps the most significant reason for the decline in numbers of breweries, the concentration of advertising power in a limited number of national breweries versus inability of a small, local brewery to reach an advertising market?

Mr. SHEA. I think that can only be considered as one part of the equation. I think new technologies picked up by certain brewers and not others, as well as packaging convenience, and the like, have had a major impact on our industry as to the diminution, if you will, in the number of brewers.

Senator EAGLETON. But you do not downplay the emphasis of the advertising budget?

Mr. SHEA. Absolutely not, no. The advertising, I think, as that chart graphically demonstrates, particularly in the last 4 years—and we use inflation-adjusted dollars because we could not have fit the graph in the room had we used actual dollars.

Senator EAGLETON. Well, that is what I was leading up to was that chart because I think the chart very graphically tells a large part of the story. Since 1971, the consumption of beer, as reflected on the chart, has increased very slightly, perhaps commensurate with the increase in national population.

It increased from a baseline of 100 back in 1971 and peaked around—let us see, the bottom looks to me like about 1980, is that right, up about 15 points on a baseline of 100?

Mr. SHEA. That is correct; 1980 is the year.

Senator EAGLETON. And that would track about with the national population. Yet, the advertising budgets of the brewers have exploded since 1977, some of it attributable, I guess, to the great beer war between Budweiser and Miller.

And if the purpose of the advertisers was to significantly enhance consumption, they have uniquely failed in their mission because they have been exploding dollars from a trough in 1974 up to the peak in 19—what is the last year, 1984?

Mr. SHEA. 1984, that is right.

Senator EAGLETON. They have more than doubled their expenditures for advertising dollars, with a just slightly increasing market consumption, and indeed a decline over the past 4 years.

So if consumption is their mission, they are tremendously foolish in the expenditure of their advertising dollars, would you not agree?

Mr. SHEA. That is correct in the aggregate, but living and competing in a free enterprise system in this country, we do not compete in the aggregate; we compete as individual companies.

Senator EAGLETON. However, if they had a different mission, if the mission is the battle of the giants to enhance market share, to enhance market dominance amongst the giants, then a different conclusion might be drawn. And the squeezedown in breweries from 800 or whatever it was after repeal to 50 today—and I think if you look back after World War II, there were perhaps 400 breweries—the squeezedown in breweries is, in my opinion, attributable to national advertising dollars.

And it is not just Budweiser and Miller; Stroh's has now tried to get into the picture; Heileman, on a regional and local basis, through the clever acquisition of breweries is in the picture as well.

But the advertising war, as reflected on that chart, is attributable to market share, and market share only. That is the only conclusion you can draw from that chart.

Mr. SHEA. I think the other point I should like to make, Senator and Madam Chairman, is that the slightly declining blue line, which is total per capita consumption, also includes two new products, if you will—the lower calorie or light beers, which now constitute nearly 20 percent of the beer market, and I think most reasonable persons interested in a balanced diet would look toward that product as a healthy sign; and, more recently, the introduction of reduced-alcohol beers, which offer our consumers an alternative, particularly in situations where drinking and driving could be involved.

Beer consumers now have that alternative, and I would dare say that without the electronic media, the consciousness as to those products would be considerably lower than it is.

Senator EAGLETON. That is all I have, Madam Chairman. Thank you.

Senator HAWKINS. Thank you, Senator.

Do you know when the industry started using athletes in their advertising?

Mr. SHEA. I could not specifically say when brewers began to use athletes. I would share with this committee, however, an observation, I think, that was reported in Ad Age that the three most recognizable athletes in a survey conducted by SRI Research Center of Lincoln, NE for "Advertising Age" were Don Meredith, who was drinking an iced tea, Arnold Palmer, who was either selling a rental car or a motor oil of some sort, and Roger Staubach, who cannot spell.

[Information supplied for the record follows:]

Stars are lacking luster as ad presenters

By SCOTT HUME

What do the dozens of celebrities who present or endorse consumer products and services in advertising have in common?

Most make little impression on consumers, and those who do aren't considered very believable.

Those are among the findings of an exclusive Advertising Age poll that asked 1,250 consumers across the country for their feelings about the use of well-known personalities as advertising spokespersons.

Although some celebrity presenters, including comedian Bill Cosby, have high memorability, survey results suggest that use of highly paid personalities may not buy the product awareness expected.

McDonald's Corp.'s highly publicized use of veteran actor John Houseman as the fast-food chain's first corporate spokesman is a case in point.

According to the Ad Age survey, more than half the adults surveyed did not recall having seen the tv commercials in which Mr. Houseman appeared. Of those who did, nearly half (45%) said their reaction to the spots was neither favorable nor unfavorable.

The research on awareness of and reaction to celebrity presenters was conducted for Advertising Age by SRI Research Center in Lincoln, Neb. A stratified random sample of 1,250 adults was polled by telephone during September.

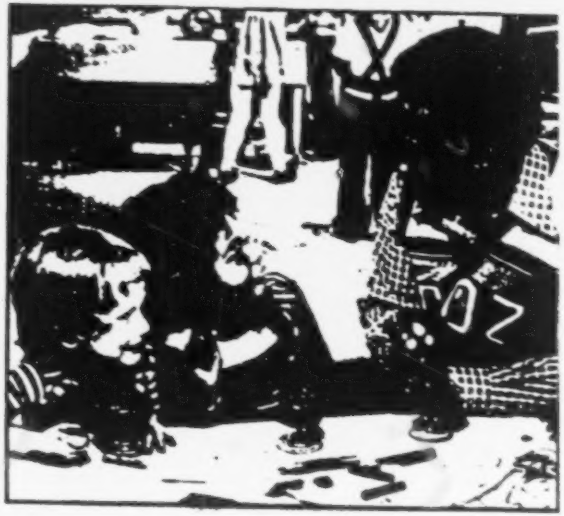
Mr. Cosby proved to be the "real thing" among celebrity presenters, named by 103 respondents as the first to come to mind from the advertising they had seen. His work as spokesman for Coca-Cola specifically was mentioned by 35 of the consumers polled. Twenty-three respondents specifically cited Mr. Cosby's role as spokesman for Texas Instruments' home computers, a line that company has announced it will cease marketing.

Chrysler chairman Lee Iacocca received 56 mentions, placing him second to Mr. Cosby but ahead of actress Victoria Principal (35 mentions). Mr. Iacocca was the only chief executive to receive more than one mention from the sample, suggesting that the gruff businessman has gained celebrity status apart from his corporate role.

Bob Hope (24 mentions) and ABC sports broadcaster and former football star Don Meredith (16) placed fourth and fifth, respectively.

Dozens of celebrities were recalled by the survey's respondents, but among those who received multiple mentions were Robert Young, Jaclyn Smith and Lauren Bacall (14); James Garner (13); Rodney Dangerfield (12); Lorne Greene, Lynda Carter and Ed

(Continued on Page 92)



Getting the most mentions among ad presenters was Bill Cosby, here working for Jell-O pudding.

Stars

(Continued from Page 3)

McMahon (10); Michael Landon, Jerry Lewis and Brooke Shields (9); Roger Staubach and Karl Malden (8), and Ricardo Mantalban, Dinah Shore, Arnold Palmer, John Houseman and Alan Alda (7).

In some cases, consumers remembered the celebrity better than the product. Eight respondents properly identified Mr. Garner as spokesman for Polaroid, while four recalled the actor in Kodak commercials. The only person to name Mr. Houseman in his role as spokesman for a brokerage firm incorrectly said E.F. Hutton rather than Smith Barney.

If the survey's bad news is that only 59% of the total sample could recall any advertising that used a celebrity presenter from among all advertising they had seen, heard or read in the previous 30 days, the good news is that awareness is highest among key demographic groups.

Highest recall was for consumers between the ages of 25 and 34; 72% of respondents in this category could name an ad that used a personality.

Awareness among young adults aged 18 to 24 also was high (67%), but recall dropped in inverse proportion to age among adults older than 34. Among those aged 45 to 54, the positive response was 59%; for adults between 55 and 64, it was 47%. Only for respondents aged 65 and older did a larger percentage say they could not recall seeing celebrity presenters (48%) than say they could (40%).

Those persons with higher incomes also were more likely to recall such advertising, presumably due to exposure to more media. The 68% of persons with incomes between $20,000 and $39,999 who were aware of celebrity presenters was the highest positive response. Among adults with income of $10,000 or less, 47% could recall such advertising, 47% could not.

The generally low recall statistics may be a function of consumers' high degree of skepticism about the value of a celebrity endorsement. Only 25% of the sample said they thought most celebrity spokespersons actually use the products or services they represent. Nearly two-thirds (64%) were convinced celebrities do not; 11% weren't sure. Presumably, Mr. Iacocca would receive high marks in this category.

Men surveyed were more skeptical than the women polled. And doubts about presenters' truthfulness rise with income.

Mr. Cosby, Mr. Hope and Mr. McMahon were recalled by respondents in connection with the most number of different sponsors (four), but survey results suggest they needn't worry about overexposure. A majority (54%) said a celebrity's simultaneous endorsements of several different products makes no difference in that person's believability.

Consumers appear to feel that most endorsements are bought rather than honest testimonials, making multiple appearances inconsequential. However, one-third of the adults polled felt that a presenter's believability is hurt by representing several products.

In spite of also appearing as spokesman for Smith Barney and Procter & Gamble's Puritan Oil, John Houseman received a favorable reaction from 38% of the respondents who had seen him deliver the quality/value message for McDonald's earlier this year. Only 16% had unfavorable reactions, while 45% were neutral.

Mr. Houseman found the greatest support in his own age group. Of those older than 65 who had seen the spots, 59% had a favorable reaction. Those 18 to 24 had the lowest favorable backing (24%). #

INDIVIDUAL CELEBRITIES IDENTIFIED
MORE THAN ONCE

* times identified by respondents

Bill Cosby - 13*
Bill Cosby/CocoCola - 35
Bill Cosby/Jello - 31
Bill Cosby/Computer/TI - 23
Bill cosby/College - 1 (103)

Loren Green - 1
Loren Green/Insurnce - 2 (10)
Loren Green/Dog Food (Alpo) - 7

Linda Carter - 1
Linda Carter/Makeup (Avon, Ponds, Maybelline) - 7 (10)
Linda Carter/Chicago Health club - 1
Linda Carter/7 Up - 1

Robert Young - 1
Robert Young/Sanka - 5
Robert Young/Arthritis Pain/Medicine - 7 (14)
Robert Young/Anacin - 1

Dinah Shore/Chicken - 7 (7)

Victoria Principal - 6
Victoria Principal/Health Spa - 11 (35)
Victoria Principal/Jhirmack - 18

Ed McMahon/Insurance - 2
Ed McMahon/Dog Food - 4 (10)
Ed McMahon/Telethon - 1
Ed McMahon/Family Publishers - 3

James Garner - 1

James Garner/Kodak - 4
James Garner/Polaroid - 8 (13)

Mariel Hartley - 1 (2)
Mariel Hartley/Polaroid - 1

Jacqueline Smith - 1
Jacqueline Smith/Max Factor/cosmetics - 13 (14)

Arnold Palmer/Penzoil - 6 (7)
Arnold Palmer/Sears - 1

John Houseman - 2
John Houseman/McDonald's - 3
John Houseman/E.F. Huttan - 1 (7)
John Houseman/Insurance - 1

Cheryl Tiegs - 1
Cheryl Tiegs/J.C. Penney - 4 (8)
Cheryl Tiegs/Tampax - 1
Cheryl Tiegs/Cover Girl - 2

Lauren Bacall - 3
Lauren Bacall/High Point/coffee - 10 (14)
Lauren Bacall/diamonds - 1

Bob Hope - 6
Bob Hope/Texaco - 10
Bob Hope/Amway - 5 (24)
Bob Hope/Olympics - 1
Bob Hope/Bank - 2

Tom Bosley - 1 (5)
Tom Bosley/Glad - 4

Roger Staubach/Rolaids - 5

Roger Staubach/Churches - 1 (8
Roger Staubach/Insurance - 2

Billy Martin/Beer - 3 3)

Rodney Dangerfield - 3
Rodney Dangerfield/Miller Lite - 9 (12)

Alan Alda - 1 (7)
Alan Alda/Atari - 6

Lee Iococa/Chrysler - 56 (56)

Jack Klugman - 3
Jack Klugman/Canon - 1 (6)
Jack Klugman/Yoplact - 1
Jack Klugman/Steakums - 1

Frank Sinatra - 2
Frank Sinatra/MS - 1 4)
Frank Sinatra/Atlantic City - 1

O. J. Simpson/Hertz - 3 3)

Joe Namath - 2
Joe Namath/Iced Tea - 1 4)
Joe Namath/After shave - 1

Don Meredith - 4 (16)
Don Meredith/Lipton - 12

Patricia Neal - 1 (6)
Patricia Neal/Anacin - 5

John Madden/Miller Beer - 2 (5)
John Madden/Toyota - 3

Regrdo Montelban/cars - 7 (7)

Dick VanDyke/Heinz - 3 3)

Jerry Lewis - 2
Jerry Lewis/Budweiser - 1 9)
Jerry Lewis/MS - 6

Michael Landon - 2
Michael Landon/Kodak - 6 (9)
Michael Landon/Fox Photo - 1

Joe Dimaggio - 2 (6)
Joe Dimaggio/Mr. Coffee - 4

Brooke Shields - 2
Brooke Shields/Calvin Klein - 5 (9)
Brooke Shields/Wella Balsam - 2

Carl Malden/Am. Express -8 (8)

Cliff Robertson/AT & T - 4 (4)

Mr. SHEA. And I really think that that is the central question is, do these ex-athletes have an impact, particularly on the young people? Mr. DeLuca mentioned his upbringing in New York. Similarly, I come from that city and I very well recall the foibles of a certain first baseman for the New York Mets, who lost many ground balls in the Sun, who was on certain beer commercials. [Laughter.]

But I do not think the youngsters of today recognize those celebrities at all. I think they are recognizable by those of us in our 30s and 40s who either gloried in their triumphs or suffered in their foibles.

Senator HAWKINS. But would you say it is increasing, the use of younger and younger athletes?

Mr. SHEA. No, I would not.

Senator HAWKINS. Would you make an observation as an industry for me on that for this record?

Mr. SHEA. So far as I know, no brewer advertising uses active athletes, which obviously——

Senator HAWKINS. That is a fine line. I mean, I know the retired athletes they use, and they are well known maybe not by you, but someone younger.

What age was the questionnaire addressed to?

Mr. SHEA. The questionnaire, I believe, was a survey of adults.

Senator HAWKINS. Over 21?

Mr. SHEA. It said adults—18 and over—in the article which I read, Madam Chairman. Perhaps it would be in order to submit that survey for this subcommittee.

Senator HAWKINS. I would like to see it, please.

Beer advertising is often a major influence in the decision of young people to drink or not to drink. What other factors do you think influence youthful consumption patterns?

Mr. SHEA. I would turn, frankly, to—well, I would not categorically deny it, but I think that the surveys and studies which I have cited this morning would indicate that advertising is not a major factor influencing young people's decision to drink.

And I would specifically cite the work of Dr. Strickland and his colleagues at Washington University; more recently, Drs. Kohn and Smart. And I would also refer the subcommittee to the survey done by the Office of Technology Assessment for this Congress—which said that parents and peers, and not once was advertising even mentioned in that rather extensive and exhaustive survey.

Senator HAWKINS. I feel that as an industry, you have to work with the broadcasters and make sure that there is quality broadcasting; not just about drunk driving, but also quality broadcasting, telling about the responsibility you take upon yourself if you do drink.

I hear drinking and driving and do not hear drinking and beating your wife. But if you talk to the policemen, you will find out that alcohol is mentioned in a great percentage of domestic dispute calls.

Mr. SHEA. Without tooting the horn of my broadcasting colleagues, I would just intuitively submit that now, in 1985, I personally know of more content of more shows which deal with alcoholism and related difficulties.

And without upsetting two networks, or hopefully not upsetting two networks, I think of a show that I enjoy, "Hill Street Blues," whose main character is a recovering alcholic.

And that is brought into each and every show, and I think that the broadcasting industry has responded affirmatively with situations like that being depicted; in other words, the use and the consequences of misuse are being accurately depicted on our electronic airwaves.

Senator HAWKINS. And Senator Eagleton was right and we have a lot of questions to submit to you in writing about prime time; not just for you, Frank, but others, on how much prime time balance we have here in consumption advertising and in the effects of consumption.

Mr. Flynn, you referred to free television when you were pointing out the impact an alcohol advertising ban would have on amateur and professional sports. What did you mean by that?

Mr. FLYNN. Madam Chairman, free over the air, as received by an antenna in a home. I think it must be realized here that most major metropolitan areas do not have cable television available to them. In cities like New York and Chicago, the metropolitan, hardcore area has no cable.

If the beer and the wine were taken off of network television, I think that you would find that your pay-per-view services that I alluded to in my testimony would be where these sporting events would be broadcast on. And in most cases, your blue-collar worker or your city inhabitant would not have the ability to watch these shows.

And I think someone made the comment about what would happen if—beer and wine were banned from broadcast and someone said no Super Bowl. I disagree. There would be a Super Bowl, but it would be on pay-per-view. And my reference was only free television, meaning over the air as compared to pay-per-view or cable.

Senator HAWKINS. If an advertising ban will not affect alcohol consumption, why are the brewers and the broadcasters so concerned and opposed?

Mr. FLYNN. I think it is a matter of principle. Again, prior to getting into this business, I worked for 4 years with Procter & Gamble, and Procter & Gamble's main concern was share, share of market, and they believed in competition and they do to this day.

The best competition is the competition that is within the corporate umbrella called Procter & Gamble. They come out with Tide and 2 years later they come out with Cheer. We are dealing with share. People are not going to buy any more soap powder; they are not going to buy any more beer or alcoholic beverages. It is a matter of the brand that they buy.

Senator HAWKINS. Steve, what is Anheuser-Busch doing to combat alcohol abuse?

Mr. LAMBRIGHT. Well, without going through the programs that we have outlined in our book that we have handed in to you, I would like to talk just about a couple of general categories.

As was noted, we do not believe that advertising is the cause of the problem, and yet we do recognize that there is a problem. So we must seek effective solutions for those problems. We believe that specifically-tailored programs must be designed and aimed at very specific problems, whether it be DWI, underage consumption, or whatever segment of the overall abuse problem we are talking about. This has to be done through research and educational programs.

In research, for example, we are spending, along with the other American brewers, as well as the Canadian brewers—substantial sums of money to the Johns Hopkins Medical School to do research on the real cause that results in alcohol abuse.

In education, we are working quite closely with SADD, the Students Against Driving Drunk program, which has proven to be very effective in taking part of the problem, peer pressure, and turning it 180 degrees around into being part of the solution.

So we believe these are the kinds of programs that are necessary, specifically tailored, localized to the specific area; not only the specific sub-area of alcohol abuse, but even in different geographic areas, there are different answers.

Advertising not being the problem, the removal of advertising will not then be the solution, and mandatory counter-advertising also will not solve the problem. A mass appeal not aimed at very specific problems will not result in any real solution.

[Information supplied for the record follows:]

ANHEUSER-BUSCH PROGRAMS TO PROMOTE RESPONSIBLE DRINKING

Anheuser-Busch Companies shares with all thoughtful citizens a concern over the misuse of alcoholic beverages. We want to help insure that our beers are enjoyed as they were meant to be enjoyed ... safely and responsibly.

For this reason, our company has developed or sponsored over the years a variety of programs and activities that address all aspects of the alcohol abuse problem -- from public education campaigns and alcohol research programs to formal training courses for bartenders and waitresses in how to deal with intoxicated customers.

We continue to search for new approaches. For example, we are developing a broadcast advertising campaign that urges consumers to drink responsibly. We support the efforts being made by other members of the industry, such as the National Beer Wholesalers Association which has introduced a formal alcohol awareness curriculum, called "Preventing Alcohol Abuse," into elementary, junior high and high schools around the country.

Our company's position on the alcohol abuse issue is explained in greater detail in the brochure, "A Commitment from the World's Largest Brewer," which has been included in this introductory section.

Over the next few pages, we will provide more detail about each of the programs we have developed, and other activities which are financially supported by Anheuser-Busch or our charitable foundations. These efforts demonstrate a firm commitment to be a partner in the search for effective solutions that address the alcohol abuse problem.

PROGRAMS AND ACTIVITIES DEVELOPED OR SUPPORTED BY ANHEUSER-BUSCH

- SADD (Students Against Driving Drunk): A national program that uses education and peer pressure to discourage drunk driving among high school and college students. Anheuser-Busch is the major corporate sponsor of this independent organization.

- T.I.P.S. (Training for Intervention Procedures by Servers of Alcohol): A training program for bartenders and waitresses in how to recognize the signs of intoxication and how to intervene effectively to keep drinking situations from getting out of hand. Anheuser-Busch wholesaler personnel are helping to train retailers throughout the country in the T.I.P.S. program, which was developed by the founding director of the National Institute of Alcohol Abuse and Alcoholism.

- "Know When To Say When": A national education campaign developed by Anheuser-Busch to urge consumers to drink responsibly.

- "The Buddy System": A nationwide campaign developed by Anheuser-Busch to encourage healthy attitudes about drinking among college students. Included are materials on how to drink responsibly, how to hold safe parties, and how to set up an organized telephone system in housing units so that students can call for transportation if faced with a potential drunk driving situation.

- "Pit Stop": A program in which Anheuser-Busch personnel, working out of state-owned rest areas, provide coffee and "Know When To Say When" material to travelers during Spring Break and other special occasions.

- "I'm Driving": A designated driver program developed by Anheuser-Busch for use by retail establishments. One person from a group of customers is designated to provide safe transportation for the others.

- Operation A.L.E.R.T.: An aggressive effort by Anheuser-Busch to work through wholesalers and 250,000 retailers in implementing positive programs to combat alcohol abuse in the local community.

- LA beer brand: A new beer product from Anheuser-Busch that has half the alcohol content of regular beer.

- Advertising Guidelines: Updated guidelines, developed by Anheuser-Busch and other members of the brewing industry ensure that beer commercials are in good taste.

- Young Adult Marketing Guidelines: These guidelines were developed by Anheuser-Busch to ensure that marketing activities on college campuses are responsible and do not encourage over-consumption or underage drinking.

- Advertising Campaign: Anheuser-Busch is developing an advertising campaign to urge consumers to be responsible when they drink.

- Research Grants to Johns Hopkins: Anheuser-Busch, through the United States Brewers Association, has given $2.5 million over the past four years to the Alcoholic Beverage Medical Research Foundation at the Johns Hopkins School of Medicine.

- Grants to U.C.L.A.: The Anheuser-Busch Foundation provides money to U.C.L.A. for a scholarly journal on alcohol abuse and traffic safety. Anheuser-Busch recently provided additional funds for an international symposium on alcohol, drugs and driving at the university.

- Employee Assistance Program: Anheuser-Busch has developed a model Employee Assistance Program to provide confidential counseling to workers troubled by alcoholism and other personal problems. The program has been offered to our 960 wholesalers, the United States Brewers Association and other companies.

- Other Charitable Contributions: Anheuser-Busch and its charitable foundations provide funds to almost 20 other organizations around the country involved in the alcohol abuse effort.

SADD

Underage drinking has long been a concern of parents, public officials and members of the brewing industry. In 1981, a Massachusetts public school teacher and coach named Robert Anastas started a new group to attack the drunk driving problem. Since then, SADD (Students Against Driving Drunk) has captured the imagination of millions of high school students across the nation.

SADD chapters have been started in high schools from coast to coast. Using education and peer pressure, the program has galvanized the students themselves into fighting the drunk driving problem among teenagers. A key part of the program is a Contract for Life, in which parents and their teenagers formally pledge -- to each other -- that they will seek alternate transportation home if faced with a potential drunk driving situation.

While not condoning underage drinking, the program encourages a healthy exchange between parents and their teenagers on drinking. And it takes a realistic approach, appealing to the common sense of students and their concern for the welfare of friends.

Anheuser-Busch is the major corporate sponsor of SADD and has underwritten the cost of public service announcements to familiarize the public with the program. Recently, the company made a special donation that has enabled the organization to move its activities onto the college campus. This has been a highly effective program that addresses a major concern, underage drinking.

T.I.P.S.

Bartenders, waiters and waitresses have a critical role to play in preventing alcohol abuse in retail establishments. In recent years, many courses have been developed to help these servers of alcohol recognize the signs of intoxication in customers and to respond effectively to prevent drinking situations from getting out of hand.

One of the most effective of these programs is T.I.P.S. -- Training for Intervention Procedures by Servers of Alcohol. It was developed by Dr. Morris Chafetz, one of the nation's foremost authorities on alcohol abuse and the founding director of the National Institute of Alcohol Abuse and Alcoholism.

Employees of Anheuser-Busch wholesalers are being trained as T.I.P.S. instructors. These employees will then provide the training to bartenders and waitresses in retail establishments throughout the country.

T.I.P.S. is an effective approach to an important aspect of the alcohol abuse problem.

"KNOW WHEN TO SAY WHEN"

"Know When To Say When," which has been in effect for more than a year, is a nationwide consumer education campaign that encourages customers to be responsible when they drink. It is aimed at the normally responsible citizen, not at abusive drinkers. The purpose of the campaign is to help to create a climate that strongly discourages "situational abuse."

The campaign includes two 25-minute films: a movie targeted at the general population, narrated by the noted health authority Dr. Art Ulene, which talks about how to avoid drunk driving situations, and a film targeted specifically at young drinkers which graphically depicts the consequences of drunk driving. More than 1,700 copies of the general consumer film, and about 1,000 copies of the young adult film, have been distributed to our 960 wholesalers, law enforcement agencies and other groups. The movies have been shown to thousands of groups across the country.

The campaign also includes counter cards, table tents and other materials that can be displayed in taverns and bars, and brochures which give bartenders and hostesses suggestions on how to serve alcoholic beverages responsibly. Ad slicks are also part of the campaign. These materials have been used by retailers, civic groups, and government agencies including the military.

"THE BUDDY SYSTEM"

"The Buddy System" is an education campaign aimed at college students and other young adults.

The program includes a 25-minute young adult movie that has been distributed to all of our 960 wholesalers, a detailed brochure explaining the program, posters and other printed materials.

"The Buddy System" is a realistic approach that, among other things, attempts to reduce what one federal official has called "drinking illiteracy" among college students and other young adults, which leads to abuse.

"PIT STOP"

"Pit Stop" is a program developed by Anheuser-Busch, in cooperation with state government officials, to encourage college students to be responsible during Spring Break and other special occasions.

Anheuser-Busch personnel man state-owned rest areas along major highways where large numbers of college students are traveling. The staff hands out coffee, doughnuts, and "Know When To Say When" and "Buddy System" materials to college students.

Originally begun as a program for Spring Break, it has been expanded this year to include other occasions. Wholesalers have been encouraged to implement this program in their markets.

"I'M DRIVING"

Designated driver programs have become increasingly popular in retail establishments throughout the country. These programs are no substitute for responsible drinking. But they are another activity that can add to the margin of safety on our highways.

Anheuser-Busch has developed a designated driver program -- complete with counter cards, table tents, buttons, banners, other materials and an instruction sheet -- which a retailer can use to begin such a program in his or her establishment.

OPERATION A.L.E.R.T.

Positive programs, no matter how good they are, will not work unless they are implemented in the local community.

During January, Anheuser-Busch introduced programs addressing alcohol abuse into the local community. It printed 250,000 brochures which explain a complete list of programs and activities developed by Anheuser-Busch, other members of the alcoholic beverage industry and concerned civic groups. These brochures are being taken to retail establishments across the country by wholesaler sales personnel, who are asking the retailer to take action in implementing these programs.

To emphasize the company's commitment in this area to our wholesalers, August A. Busch III designated the week of January 7 as Operation A.L.E.R.T. week throughout the company. Each wholesaler has been asked to support programs within his or her local market area. In addition, training sessions were held for wholesaler personnel throughout the country during January, to educate these employees on the positive programs and provide instructions in how to introduce these programs to retailers. A videotape and other training materials, similar to what might be used in beginning a new marketing campaign, were distributed to assist in this wholesaler training effort.

Anheuser-Busch is committed to implementing these programs in a timely and aggressive fashion.

LA BEER BRAND

In 1984, Anheuser-Busch introduced a new brand which has traditional beer taste, but half the alcohol content of regular beer. This product responds to consumer demand for a brand that fits in well with new, more active, health-conscious lifestyles. And it responds to the new public concerns over alcohol abuse.

INDUSTRY ADVERTISING CODE

Brewing industry advertising guidelines have been in effect since the 1940s, and have been periodically revised and updated.

Anheuser-Busch, in cooperation with other members of the brewing industry, last year developed an updated series of guidelines to be used by beer companies throughout the nation in advertising their products.

These guidelines reflect several basic principles -- advertising should be in good taste and should not encourage over-consumption, underage drinking or abuse of the product in any way.

These guidelines assist brewers in maintaining the highest ethical standards in their advertising.

BASIC GUIDELINES FOR BEER ADVERTISING

Beer is a refreshing, wholesome beverage meant to be consumed in moderation. Its origins are ancient, and it has held a respected position in nearly every culture and society since the dawn of recorded history. Advertising is a legitimate effort by brewers to make consumers aware of the particular types, brands and prices of malt beverages that are available.

Three basic principles which have long been reflected in the policies of the brewing industry continue to underlie these Guidelines. First, beer advertising should not suggest directly or indirectly that any of the laws applicable to the sale and consumption of beer should not be scrupulously complied with. Second, brewers should adhere to standards of candor and good taste applicable to all commercial advertising. Third, brewers are responsible corporate citizens, sensitive to the problems of the society in which they exist, and their advertising should reflect that fact.

These Guidelines consist of more specific provisions describing the advertising policies of the brewing industry.

1. Beer advertisements should neither suggest nor encourage overindulgence.

   Because beer is a beverage of moderation, advertising should not portray or suggest its abuse, even in a comical vein.

2. Beer advertising should neither portray nor encourage drinking by individuals below the legal age of purchase.

3. No beer advertisements should in any way suggest noncompliance with legal age of purchase limitations.

4. No beer advertisements should encourage or condone drunk driving.

5. Advertisements should not include scenes of inebriation, revelry, comical drunks, or any other depiction of beer drinkers who have any way lost control of themselves.

   Beer advertisements should never directly or indirectly suggest misuse or abuse of the product.

6. Beer advertisements should make no scientifically unsubstantiated health claims.

   If there exists significant controversy in the medical or scientific community regarding the accuracy of a claim, the making of that claim without simultaneously revealing the existence of the controversy should be avoided.

7. Beer advertisements should not associate or portray beer drinking before or during activities in situations which require a high degree of alertness.

   Beer is for relaxation and is not compatible with driving or performing hazardous jobs.

8. Advertising should neither state nor carry any implication of alcohol strength.

   Advertisements should not refer to the "strength" of a beer or boast subtly of "kick," or otherwise promote its relative alcohol content. Nor should advertisements include other subtle references to alcohol, such as puns on words like "spirit" or "proof," or any overt or implicit association with distilled spirits. Any claim of alcohol content permitted by applicable law or regulation shall be deemed to be in compliance with this Guideline.

9. Beer advertising should not portray sexual passion, promiscuity, or any other amorous activity as a consequence of drinking beer.

   Beer is not related to sexual stimulation, and should not be portrayed in any fashion implying or suggesting that it is.

10. Advertisements should not contain suggestive double entendres or any other material that might be considered lewd or obscene.

11. Advertisements should not associate beer with crime, criminals, or any illegal activity.

    Advertisements should not associate beer with any illegal activity or disreputable circumstances. Men and women portrayed in beer advertisements should be law abiding and mannerly.

12. Taverns or other places portrayed in beer advertisements should always be depicted as well-kept and respectable gathering places.

13. Religion and religious themes should never be employed in the advertising of beer.

14. Advertisers of malt beverages should not improperly disparage competing beers. Comparisons in advertising should be objective, truthful, and significant.

    Advertising should address the merits of the products being offered. It should not characterize competing products falsely or inaccurately or in a misleading fashion. Comparisons in advertising should be objective and truthful. Consistent with Federal regulatory policies, comparisons must be adequately substantiated. Moreover, such advertising should provide useful and significant information to the consumer.

15. Advertising should never suggest that competing beers contain objectionable additives or ingredients.

    These include representations or implications that other beers contain "synthetic additives" or other "artificial ingredients." Because these words often have perjorative meanings, their use is inappropriate. No beer may contain ingredients not permitted or approved by the Food and Drug Administration and authorized by the Bureau of Alcohol, Tobacco, and Firearms.

16. Beer advertisements should not make exaggerated product representations.

    Beer advertisements should restrict themselves to an honest and accurate statement of facts. This is desirable in all advertising. Unfulfilled and false claims about a product do not benefit consumers.

17. Advertising should not use scientific or pseudo-scientific terms to convey the impression that a beer has special or unique qualities if in fact it does not.

18. No beer advertisements in college, campus, or other media should portray beer drinking as being important to education, nor should beer advertising directly or indirectly degrade study.

19. Beer advertising on television should make no representation of on-camera drinking, including sound effects of drinking.

20. Beer advertising should never show littering.

YOUNG ADULT MARKETING GUIDELINES

Anheuser-Busch has developed a set of guidelines that will be followed in its marketing activities on college campuses and elsewhere. In general, these guidelines will guarantee that marketing and promotional activities are responsible, and that they do not encourage over-consumption or underage drinking.

A brochure containing the guidelines has been produced and distributed to over 960 wholesalers and to college administrators throughout the country. The guidelines also have been expanded upon in new training materials sent to wholesalers for use in developing marketing activities for adults in the 21 to 34 age group.

ALCOHOLIC BEVERAGE MEDICAL RESEARCH FOUNDATION

Anheuser-Busch, through the United States Brewers Association, has provided approximately $2.5 million during the past four years to the Alcoholic Beverage Medical Research Foundation at the Johns Hopkins School of Medicine.

The foundation, which is supported by American and Canadian brewers, in turn supports worthy alcohol abuse research projects at institutions throughout the United States and Canada.

ABSTRACTS & REVIEWS IN ALCOHOL & DRIVING

The Anheuser-Busch Foundation provides funds to the Alcohol Research Center at the University of California, Los Angeles, to finance a quarterly research journal, called Abstracts & Reviews in Alcohol & Driving.

This publication is sent to alcohol researchers throughout the world, and is intended to provide the latest information on research in the alcohol abuse area.

In addition, the Anheuser-Busch Companies also provided funding for a recent international conference on drunk and drugged driving at U.C.L.A. The proceedings of that conference will be published in a future issue of Abstracts and Reviews in Alcohol and Driving.

EMPLOYEE ASSISTANCE PROGRAM

Anheuser-Busch several years ago developed a model Employee Assistance Program for providing confidential counseling to workers troubled by alcohol abuse and other personal problems. Details of the program have been provided to our 960 independent wholesalers, to the United States Brewers Association and to other companies.

OTHER CHARITABLE CONTRIBUTIONS

Anheuser Busch and its charitable foundations also provide several hundred thousand dollars each year to many other organizations who are working for effective solutions to alcohol abuse. The list of organizations includes:

Busch Center at Wharton School of Business, University of Pennsylvania

Health Education Foundation, Washington, D.C. -- A nonprofit organization dedicated to the development of health promotion programs, including responsibility in use of alcohol.

American Council on Science & Health, Summit, N.J. -- An organization involved in the communication of' issues involving health and nutrition.

American Council on Alcoholism, Inc., Baltimore, Md. -- A national voluntary health organization devoted to monitoring and communicating efforts to deal with alcoholism in the local community.

Alcohol Policy Council, Waterford, Va. -- A non-profit organization of professionals in alcohol research and treatment who are dedicated to reducing alcohol-related problems through better public education.

Traffic Institute, Northwestern University -- An international education and research center that deals with highway safety and transportation issues.

General Federation of Women's Clubs, Washington D.C. -- Group of local women's clubs interested in several public issues, including alcohol abuse.

ALMACA (Association of Labor-Management Administrators and Consultants on Alcoholism), Arlington, Va. -- A group made up of professionals working in the area of occupational alcoholism. This includes administrators of employee assistance programs.

National Council on Alcoholism, St. Louis Chapter -- Organization which deals with the prevention and treatment of alcoholism.

BACCHUS of the United States, Inc. (Boost Alcohol Consciousness Concerning the Health of University Students), Gainesville, Fla. -- A national, non-profit organization, with student chapters on many college campuses, which urges moderation and responsibility in the use of alcohol.

Missouri Teenage Institute on Substance Abuse, Springfield, Mo. -- Education program to prevent alcohol and drug abuse among teenagers.

"Preventing Alcohol Abuse" (program developed by National Beer Wholesalers Association) -- A curriculum for teaching alcohol awareness subjects in elementary, junior high and high schools.

California Friday Night Live, Sacramento, Ca. -- Public education program aimed at reducing drunk driving among teenagers.

AWARE (Alcohol in Washington: Awareness Research and Education Task Force), Seattle, Wash. -- Group of alcoholic beverage industry representatives in state of Washington who seek practical, effective solutions on alcohol abuse problem.

Committee to Prevent Alcohol Abuse by Minors, Burlingame, Ca. -- Group of retailers, educators, health officials, law enforcement professionals, beverage industry representatives, parents and teenagers devoted to prevent drunk driving and alcohol abuse among teenagers.

American Bar Association Committee on Prosecution and Defense of Drunk Driving Cases -- Group studying state drunk driving statutes.

Senator **Hawkins**. If the beer ads were given by other than athletes, would you still have a Super Bowl?

Mr. **Lambright**. I think so, but we still have to come back to the same question as to what is the real problem here. There is no evidence that athletes are the problem; there is no evidence that ads are the problem.

Yes, there would still be a Super Bowl if we were not permitted to use athletes. And, in fact, the Bureau of Alcohol, Tobacco and Firearms is expected to release proposed regulation in this area. So this whole athlete problem is going to be addressed in the normal regulatory process by the Federal agency that is charged with regulating our industry.

Senator **Hawkins**. Most of the successful programs that have been mentioned at this table today were started by volunteers, if you think about it, and later joined by other groups to keep them in the forefront, and then endorsed by your industry, rather than being started by your industry and being endorsed by volunteer groups.

Does this not seem like a reversal of a responsible citizen role?

Mr. **Lambright**. If we are worried about who takes credit for getting the job done, we could argue the point all day. I think the point is that in the last few years, as the current administration has pointed out that there needs to be greater involvement by the private sector in this country, and as Government programs have somewhat declined in this area, we have had to get more involved than we have in the past.

And so if we are criticized for being late, I will accept that criticism. But we are now involved and, in our opinion, it really is not a question of who started the ball rolling. We are all at this table involved now and will continue to be involved.

Senator **Hawkins**. What has happened to the incidence of DWI's during the last few years? Do you know?

Mr. **Lambright**. I cannot give you exact statistics off the top of my head, but I have read as late as yesterday the report of the FBI on their various statistical releases. We are seeing several encouraging things.

We are seeing the incidence of under-age DWI moving in a positive direction; in other words, declining. We are seeing the incidence of alcohol abuse on the decline. We are seeing, on the other hand, a greater amount of the incidence of DWI arrests; but that is also a good sign because it is simply a reflection of the fact that the enforcement community is also more aware and doing their job in a better fashion than they had in the past.

So we believe that the statistics are moving in the right direction, one of them being the total per capita consumption of our industry, of beer, in particular.

Senator **Hawkins**. What is the average consumption of beer?

Mr. **Lambright**. Don can answer that better than I can, I think.

Mr. **Shea**. The figure I have here, which, for 1984, is an estimate—for 21 years and over, per capita, would be 35 gallons.

Senator **Hawkins**. Thirty-five gallons a year?

Mr. **Shea**. Thirty-five gallons.

Senator **Hawkins**. Are we all doing our share in this room? [Laughter.]

Mr. SHEA. I do not know, but we will pass out surveys. [Laughter.]

Mr. SHEA. That is the lowest it has been, I might add, since 1978. That is the lowest level of per capita beer.

Senator HAWKINS. So it has gone up every year since 1978 and then down?

Mr. SHEA. It has gone down.

Senator HAWKINS. Was 1978 your peak?

Mr. SHEA. In 1978, it was over 35.5 gallons and now it is 35.06 gallons, and this is the lowest it has been since then. It went up as high as 36 at one point, now declining.

Senator HAWKINS. The more you spend on advertising, the less people are drinking. Is that what you are telling me?

Mr. SHEA. That is not what I am telling you. That is what our market is telling you and that graph is telling you, and I will probably have to talk to Mr. Matthews after this hearing. [Laughter.]

Senator HAWKINS. Mr. Easton, what effect would a ban on television advertising have on sports and the promotion of athletic events in this country?

Mr. EASTON. I would join with the others in suggesting that one of the first effects would be to displace substantial sports coverage off what Mr. Flynn described as free television and put it on cable or paid television.

I would also suggest that it would have a rather severe impact on local radio, especially, and, in particular, in that category, minority-owned radio, which derives a disproportionate amount of its revenue from beer and wine advertising. And the sports programming that is available to those people probably would not be available.

More importantly, the stations themselves might no longer be available.

Senator HAWKINS. You do not believe another product would take up the slack?

Mr. EASTON. The indication we have from talking with minority-owned radio is that it would not.

Senator HAWKINS. How would you advertise a product if you could not advertise it on television? I think the cigarette industry has just walked through this. How would you do that?

Mr. EASTON. I am really not qualified, not being in the marketing side of the business, to answer that question. Certainly, there would be alternatives, depending, of course, upon the extent of the nature of restrictions or bans that may occur.

Senator HAWKINS. Do the minorities have a greater problem than the population as a whole with alcoholism?

Mr. EASTON. There is no evidence that I know of that suggests that minorities have, on an incident-per-thousand-persons, a disproportionate problem of alcohol abuse. There are some geographic differences, which is another one of the indicators that perhaps advertising is not a cause because the bulk of the broadcast advertising is national in nature; it is network in nature.

And yet there are some rather significant geographic differences, which suggest that there are other factors than the viewing of the commercials at work in the process of creating abuse problems.

Senator HAWKINS. Every State has laws, I believe, that prohibit under age individuals from consuming alcoholic beverages. Is the answer to simply enforce the laws that we have now in an effective manner?

Mr. EASTON. Well, first of all, I do not mean to argue with the Senator, but there are a number of States that do not have laws against consumption by under age. A number of States have laws that prohibit the sale to minors, but recognize that parents would not break the law by providing alcohol beverages to under age in their homes or something like that.

Senator HAWKINS. What laws do you think of when you tell me that you have plenty of laws to regulate advertising of alcoholic beverages?

Mr. EASTON. Well, first of all, every State has an ABC or an alcohol beverage control board or an organization of some kind, and to one extent or another they control and have approving authority on a wide variety of what might generically be referred to as advertising.

In most States, for example, we are required to submit a neon sign that might hang in the window of a tavern to the State ABC for approval as to size and that sort of thing before it can be utilized in the market.

Certainly, there is a rather extensive body of law that exists at the Federal level. We are heavily regulated by the Bureau of Alcohol, Tobacco and Firearms. Of course, we are the only specific product that has two constitutional amendments that deal with it virtually by name.

Senator HAWKINS. Mr. Matthews, if advertising does not increase consumption, why are they advertising so much?

Mr. MATTHEWS. Well, I think that has been adequately answered on the subject of brand share. You are talking about the battle of the giants, I guess, that Senator Eagleton was talking about. It has really only been about 10 years since the battle of the giants was between Anheuser-Busch and Schlitz.

Today, I think the Schlitz brand, for a variety of reasons—first of all, it has been sold to another brewery and it is probably no better than tenth; I would guess maybe about tenth.

I worked on the Schlitz brand, advertising the Schlitz brand, when it was No. 2 and our big fight was with Budweiser all the time. The contention, of course, was to get that share of the market. It was strictly a share battle which that chart shows so well because with that tremendous increase in total expenditures, the actual decline since 1978 of per capita consumption is a very eloquent statement.

In most categories, what you call a mature market, as has been said here by several panelists, the battle is for share of market. There are some exceptions to that. If you are running the Campbell Soup Co. where you have probably a very, very, high share of the canned soup business, your marketing objective is to increase the market.

So your advertising would be directed to find new uses for soup. You may recall such things as soup for breakfast, soup on the rocks. The average home has something like seven cans of Campbell's Soup in the pantry at all times. So the big job there of the advertising agency, and the marketing manager, is to get the soup out of the pantry onto the table. Because we know that the housewife is always going to buy it when she is short.

So there are mature markets, and that is the case of beer and wine, although the wine market is not as mature as the beer market. There are certain rites-of-passage kinds of products, which we think beer and wine tend to be, or alcohol tends to be, cigarettes tend to be, where even as marketers and as advertising people—I have been in this 30 years and have worked on both those categories--there is surprisingly little evidence that advertising increases that market.

It just does not seem to have an effect on the beginning of the use of those products. It is this business of peer pressure, I think, primarily, and what they see in the home. And I admit that sounds incredulous, but the facts demonstrate that that is true.

Senator HAWKINS. In talking about the increased expenditures, I would like to differentiate, if I can, here, but if not, you could submit it for the record. Is that an increase in the number of spots used per brand, or was it also an increase in the cost per spot?

Mr. MATTHEWS. It is both. That is dollars, but as Mr. Shea has said, he has adjusted those numbers for inflation. So he has taken the inflation out of there.

Senator HAWKINS. We tried to do the same thing, get inflation out.

Mr. MATTHEWS. But I assume, Don, you have not taken out the rising cost of broadcasting time on media.

Mr. SHEA. No, we have not. We wanted to speak to Mr. Fritts about that. [Laughter.]

Senator HAWKINS. I believe that that chart could even be misleading.

Mr. MATTHEWS. Taking out the inflation, as we know it, in general terms, but that is partly increased media costs. But it is also greatly increased expenditures in the beer business.

Senator HAWKINS. I would like a comparison of the cost per spot, 30-second spot, whenever you started that chart, 1971, progressing up to 1984. I believe you will see a dramatic increase in the price per spot on television for a 30-second spot or a one-minute spot.

Mr. MATTHEWS. Yes, but there are two factors in this increase. One is the increase in cost and the actual inflation or cost increase.

Senator HAWKINS. Well, we take that out. You know, we are taking that out now. Right now, I would like to know what a spot costs today, with 4 percent inflation.

Mr. MATTHEWS. But there is a dramatic increase, too, in the total amount spent.

Senator HAWKINS. And charged; I see all the manufacturers saying "and charged."

Mr. Fritts, how would the general public be affected by a ban on beer and wine advertising?

Mr. FRITTS. I think, as referred to earlier, the sports issue—free, over-the-air television, through the advertiser-supported system, provides Americans with a plethora of signals of various sporting events probably unparalled around the world.

Unfortunately, new advertisers are not waiting in the wings. Just as the brewers and the vendors compete for market share, networks and broadcasters compete within the universe of the advertising dollar. I think that has been clearly demonstrated with respect to the proliferation of the new football line-up this fall, where we had a proliferation of games and smaller audiences, and consequently more difficult to attract advertisers.

And within those games, it is interesting to note that in sporting events on the weekend, less than 3 percent of the teenagers watch sporting events on the weekend, according to the latest Nielsen data.

I think that the public would be affected with respect to their radio programming. As was mentioned here, minority radio programming would be impacted more severely than other radio stations. The current percentage of revenue from the category of beer and wine for radio is about 12 percent by gross revenues.

The average local radio station operates on a margin of around 7 percent. It does not take a genius to figure up that suddenly you go from black ink to red ink very quickly just with the shift of one category of business.

In minority programming, it is about 18 percent of the total volume of minority radio stations. We think they would be affected.

With respect to the sports figures, I have a 15-year-old son, who himself is a fairly outstanding football player as a sophomore in high school. He does not know who Dick Butkus, Bubba Smith, or Billy Martin are; he does not relate to them. He relates to Joe Theismann, Walter Payton, and Anthony Dickerson. Those are the people he relates to.

I relate to a Dick Butkus, as a mid-40-year-old person, but my son does not know Dick Butkus from Adam's house cat. [Laughter.]

Senator HAWKINS. Do you think he would know who Kool and the Gang is?

Mr. FRITTS. Possibly, although I do not know who they are. [Laughter.]

Senator HAWKINS. It is a different market. [Laughter.]

How would the broadcasting industry be affected by a ban, other than the revenues?

Mr. FRITTS. Well, we live in a law of supply and demand. There is a certain universe of advertising dollars. We compete with newspapers, we compete with magazines, we compete with billboards and with every form of media that is imaginable for advertising dollars.

It is a very competitive world, and I think that broadcasters would find that the reduction of a major category of advertising—4 percent for television, 12 percent for radio, 18 percent for minority radio—would impact it very greatly. We could see a reduction of services.

The Atlantic Coast Conference basketball schedules, which are set up through a regional consortium of stations sponsored by some of the breweries in this area, might not be available in this area under a ban.

Senator HAWKINS. And we have discussed prime time before, and I want to accent that as we close with this panel; that parity in prime time, in my opinion, does not meet the demands that it should.

I happen to be unique; all I watch on television is sport games. If you lived in my house, that is all you would watch, too. And our children sit there and watch the sports events, and that is what really caught my attention in the first place.

And so I would like to see you as an industry really put heavy pressure on in prime time. I was very impressed with the mugs that broke; I remember seeing that on one of the ballgames. That caught my attention, the one spot you showed.

They show it, you know, at 3 a.m. in the morning, if you are lucky. This committee mandated prime time advertising on drug abuse and the Government is paying for it because we had no prime time. We had a lot of PSA's, you know, if you wanted to stay up until 4 a.m. or around the clock.

If I want to buy a prime time spot, I know exactly what spots I am talking about in prime time, and a PSA runs when it is convenient. So, you know, PSA's are very good, but PSA's should be in prime time. We have never been able to get that since I have been in the Senate, so last year we earmarked $1 million in the NIDA budget, the National Institute on Drug Abuse.

And I have seen those ads on prime time. They have made sure that I see them.

Mr. FRITTS. In reality, $1 million did not buy a lot of prime time advertising, so what you saw was probably public service time donated by the station.

Senator HAWKINS. No. What I saw was what they paid for because they brought it to me to make sure that I knew they were doing what we had ordered with the money. I resented that the Government had to buy that time to show in that slot, and it did not interfere with anything else that was on in those prime time hours. It was very well produced—and if you look at it, it will say "Paid For By The National Institute on Drug Abuse."

That just started this year, 1984, and we had to do that on this committee, go out and buy time on an airwave that the Government gave the authority for individual free enterprise to use. And I do not like that type of expenditure. I would rather take the $1 million and help rehabilitate drug users and alcohol abusers.

I must say that we need a lot of money to work on rehabilitation and education programs. It is awfully hard to take the meager amounts that we spend in the Government for those programs.

And I resent having to take any amount whatsoever from the Federal budget, when we have deficits, and buy time on airwaves that are really regulated by the Government.

Mr. FRITTS. I also sit on the board of the Advertising Council and I do know that the Advertising Council keeps a running track of not only regular messages, but those which run in prime time.

I think what you are hearing broadcasters saying is we are listening. We are listening to what you are saying, we are listening to what the American public is saying, and I think you will see that we will be very responsive. That is our intent, to work with you and to cooperate.

Many of the drunk driving PSA's which you have seen, which, by the way, will be followed with phase two, which will go into the area of alcoholism, which will go into child abuse, which will go into the the larger issue of alcohol abuse and related problems, right now, we have a front-burner issue of carnage on the highways and we must move in a priority fashion to attempt to eliminate that first.

In concert with that, and immediately following, or sometimes overlapping with that, we plan to initiate programs to be involved in these other areas. I think that is very important to delineate between a voluntary public service campaign and one which is a mandated, Government-imposed counter-advertising campaign which says do not use a specific product.

Senator **Hawkins**. Well, we will see how we muddle along.

Thank you, gentlemen, for being here today. You gave us interesting testimony that will be most helpful to the Congress in addressing the issue of alcohol advertising.

Our last panel will now testify.

Senator **Eagleton**. Madam Chairman, could I be excused for a short while?

Senator **Hawkins**. Surely, Senator.

Senator **Eagleton**. I will return.

Senator **Hawkins**. Surely. Thank you for your attendance today.

Our last panel will testify in order of appearance: Michael Jacobson, director of the Center for Science in the Public Interest; Ms. Peggy Sapp, executive director, Florida Informed Parents; Ms. Martha Baker, president of the National Council on Alcoholism; Dr. Charles Atkin, professor of the Department of Communication & Telecommunication at Michigan State University; Samuel Simon, president of the Telecommunications Research & Action Center; Ms. Elaine Stienkemeyer, president, National PTA, an organization that I used to be very active in, but I have grown replacements, I am happy to announce; and Dr. Lloyd Johnston, the program director at the University of Michigan Institute for Social Research.

We welcome all of you here today. We know you enjoyed the previous testimony. We are looking forward to hearing your testimony. We will go out of order. Mr. Jacobson, who is director of the Center for Science in the Public Interest, will be first, and he will be followed by Samuel Simon, who has urgent appointments.

So at this moment, we will hear from Michael Jacobson.

STATEMENT OF MICHAEL JACOBSON, EXECUTIVE DIRECTOR, CENTER FOR SCIENCE IN THE PUBLIC INTEREST; SAMUEL SIMON, PRESIDENT, TELECOMMUNICATIONS RESEARCH & ACTION CENTER; PEGGY SAPP, EXECUTIVE DIRECTOR, INFORMED FAMILIES, DADE COUNTY, FL; MARTHA BAKER, PRESIDENT, NATIONAL COUNCIL ON ALCOHOLISM; CHARLES K. ATKIN, PROFESSOR, DEPARTMENT OF COMMUNICATION & TELECOMMUNICATION, MICHIGAN STATE UNIVERSITY; ELAINE STIENKEMEYER, PRESIDENT, NATIONAL PARENT-TEACHER ASSOCIATION; AND LLOYD JOHNSTON, PROGRAM DIRECTOR, INSTITUTE FOR SOCIAL RESEARCH, UNIVERSITY OF MICHIGAN, A PANEL

Mr. **Jacobson**. Thank you very much, Senator Hawkins. I am honored to have the opportunity to testify before this subcommittee on an issue of great mutual concern. I have a very condensed statement that I will try to get through as quickly as possible.

The issue being addressed is alcohol advertising, but the reason for concern is the devastation related to alcohol in homes, schools, and businesses in every corner of America. While we will probably never be totally free of alcohol problems, it is appropriate to ask whether and how the $750 million a year worth of radio and television commercials for beer and wine contribute to the costs—the 100,000-plus lives lost every year related to alcohol, and the $120 billion worth of economic costs.

Kids grow up in a sea of advertising. They start seeing beer and wine commercials at the age of 3 or 4, and will see and hear on the radio thousands of messages exhorting them to drink even before they reach the legal drinking age.

This hearing has been rather amusing, because we have heard all these distinguished people in the previous panel, but we have not seen any advertisements. I thought it would be most instructive to look at sections from a few ads that have recently been broadcast, but starting with a word from a vice president from the National Broadcasting Co.

[A videotape was shown.]

Despite industry's claims that ads do not promote heavy drinking or youth drinking, the Coors Lite ad tells viewers to drink beer after beer. Harvey's Bristol Cream sherry teaches viewers to switch from small glasses to giant tumblers. Bud Lite's actor-athletes proclaim that beer will bring out your best. The Wild Irish Rose wine ad features a Michael Jackson look-alike break-dancing and rock music; it is surely targeting grade school and high school kids.

Ads like these and others on radio violate the voluntary and toothless advertising codes of both producers and broadcasters. While television ads are particularly attractive to look at, radio ads can be especially insidious because they are made to blend right into the programming on rock music stations, country music stations, soul music stations.

The overall effect of the ads is to glamorize alcohol and foster the notion that drinking is the key to achieving personal goals.

While we are troubled about the content of certain ads, we are more concerned about their frequency and the virtual absence on the public airwaves of honest, complete, persuasive information about alcohol.

It is self-evident that when you spend billions of dollars promoting a group of products, consumption of these products will rise. And, in fact, alcohol consumption has increased by almost 50 percent per capita since 1960.

It is comic to hear the producers and broadcasters argue that ads only switch people from one brand to another and do not tend to increase overall consumption. "Advertising Age" journal observed several years ago, "A strange world it is in which people spending millions on advertising must do their best to prove that advertising does not do very much."

In fact, there is ample evidence to support the common sense view that billion-dollar ad budgets boost sales. Marketing executives, if not PR flaks, readily acknowledge that they want to maximize sales partly through advertising.

One major wine advertiser said something very important. He said, "Today, we consider any liquid at all our competitor. We are positioning ourselves like a soft drink." The alcoholic beverage industries compete with iced tea, milk, water, soda pop, anything that goes down your throat.

Government-sponsored studies, such as the one Dr. Atkin will describe, demonstrate a convincing association between advertising and consumption. Dr. Atkin's study is different from the studies referred to by the previous panel, in that his was not sponsored by the beer industry.

Americans are currently participating in an illuminating natural experiment. Beer and wine companies spend enormous sums on broadcast ads. Liquor companies spend nothing. Look at sales over the past decade. Beer and wine sales increased steadily until leveling off in the past year or two, while liquor sales have been declining steadily in the last 10 years.

Since 1968, liquor's share of the alcohol dollar declined from 51 to 34 percent, which is illustrated on that graph. And I think there are other things that are going on, but here we have two kinds of alcoholic beverages; both alcoholic beverages, some advertised on broadcast media, some not, and the beer and the wine people are wiping out the liquor people. And I think the liquor industry deserves great praise for staying off the airwaves, and I wish the beer and wine industries were as responsible.

And I might add the broadcasting industries have voluntary guidelines prohibiting distilled liquor on radio and television that they generally adhere to. Why is liquor so different from beer and wine? Why can they not be as responsible with regard to beer and wine?

We have tried the voluntary approach. In 1982, a coalition of citizens' groups wrote to all the big companies, beer, wine, and liquor, asking them to voluntarily reform their marketing practices. We did not get a single response.

In 1983, 25 national organizations petitioned the FTC to reform alcohol advertising. Fifteen months later, no response, although Chairman Miller's statement this morning was very discouraging.

Therefore, in the absence of this action by companies or by the FTC, in 1984 hundreds of national, State, and local organizations initiated a petition campaign called Project SMART to show Congress that the public wants action.

Project SMART calls for either a ban on beer and wine commercials on radio and television or equal time requirements for health messages. The public is showing tremendous support for taking alcohol ads off the air. Over 700,000 people have already signed the SMART petition and, perhaps more significantly, a recent public opinion survey showed the public divided almost evenly on whether beer and wine commercials should be outlawed.

We believe that an overwhelming majority of the public supports an equal time rule. This support for a ban or equal time is consistent with what first amendment authorities, like Stanford law professor Mark Franklin, have determined is a legitimate area for congressional action.

Professor Franklin—I do not know if you know him, but he is a former law clerk to Supreme Court Justice Earl Warren—he wrote a letter to you which he asked me to deliver. The last paragraph says, "It is hard to imagine what Justice, let alone what five Justices, would vote to invalidate a properly drafted congressional statute enacted to reduce the annual toll of documented harms attributable to a perceived relationship between alcohol advertising and alcohol abuse."

Two Federal appeals courts have upheld State legislative bans on the basis of rational, commonsense evidence. The Fifth Circuit Court of Appeals concluded:

> The advertising ban is sufficiently justified to pass constitutional muster. We simply do not believe that the liquor industry spends a billion dollars a year on advertising solely to acquire an added market share at the expense of competitors. Whether we characterize our disposition as following the judicial notice approach taken in Central Hudson Gas or following the accumulated commonsense judgment approach taken in Metromedia, we hold that sufficient reason exists to believe that advertising and consumption are linked to justify the ban, whether or not concrete scientific evidence exists to that effect.

The Supreme Court denied review of this ruling, and we will be submitting to the Committee a legal memorandum from a prominent west coast law firm on this.

Senator **HAWKINS**. Thank you.

Mr. **JACOBSON**. I should add in conclusion that we view advertising reforms not as a panacea, but as one facet of a comprehensive program to redefine the role of alcohol in our society.

Sweden has implemented a wide-ranging program, and that nation's alcohol consumption and problem drinking have been declining, unlike what the previous speakers suggested is the case. According to data from the Swedish embassy, which is in our complete testimony, per capita alcohol consumption declined 21 percent between 1976 and 1983.

The percentage of 16-year-old boys and girls who acknowledge drinking once a month or more declined from 39 percent to 25 percent. The percentage of 16-year-old boys who drank half a bottle or more of liquor dropped from 40 percent to 28 percent. The number of people enrolled in public institutions for alcoholics declined from 2,738 to 2,400 between 1975 and 1981.

The Swedes seem to be making an impact by trying a variety of approaches, including a virtual total ban on all alcoholic beverage advertising, broadcasts which they have never had, and a printing ban which they have had since 1977. We need a similar effort here.

I really appreciate your taking all this time on the hearing, and thank you.

[The prepared statement of Mr. Jacobson follows:]

Testimony before the Subcommittee on Alcoholism and Drug Abuse
Senate Committee on Labor and Human Resources
February 7, 1985

Michael F. Jacobson, Ph.D., Executive Director
Center for Science in the Public Interest
1501 16th St. NW
Washington, D.C. 20036
(202) 332-9110

Thank you, Senator Hawkins. I am honored to have the opportunity to testify before this important subcommittee on an issue of great mutual concern.

The issue being addressed is alcohol advertising. But the underlying issue is really the devastation related to alcohol in homes, schools, and businesses in every corner of America. While our society has never been, and probably never will be, totally free of alcohol problems, it is appropriate to ask, as this committee has, whether and how the $750 million a year worth of radio and television commercials for beer and wine contribute to the estimated 100,000-plus lives lost each year and the $120 billion in economic costs to our nation.

Kids grow up in a sea of advertising. They start seeing beer and wine commercials -- and sometimes start singing the jingles -- at the age of 3 or 4. They will see and hear thousands of commercials exhorting them to drink even before they reach the legal drinking age. Though we have all seen many of these commercials, it would be instructive to take a few moments to review a few ads shown to millions of children and adults daily.

[show videotape of ads]

Despite industry's claims that ads are not targeted at heavy drinkers or youths, the Coors Lite ad tells viewers to drink "beer after beer and don't hold back...turn it loose." Harvey's Bristol Cream sherry teaches viewers to switch from traditional glasses to giant tumblers. Anheuser-Busch uses actor-athletes to show viewers that Bud Lite will bring out their best. The Wild Irish Rose wine ad, which depicts a Michael Jackson look-alike and break-dancing along with rock music, seems to be targetting grade school and high school kids. Ads like these violate the voluntary, and toothless, advertising codes of producers and broadcasters. Ads on radio are often disguised as popular music so they blend right in with the programming. Objective minds can hardly deny that the overall effect of the ads is to glamorize alcohol and foster the notion that drinking is the key to achieving personal goals.

While we are troubled by the content of certain ads, we're more concerned about their machine gun-like frequency and the virtual absence on the public airwaves of honest, complete, persuasive information about alcohol. The relative absence of public service announcements that inform both youths and adults that you can be a success and have friends without drinking a six-pack of beer is disgraceful. Wouldn't it be terrific, if sports stars, famous actresses, and others helped popularize a lifestyle in which alcohol wasn't a necessity, but simply one choice among many beverages.

Alcohol researchers generally believe that alcohol problems rise in rough proportion to consumption. Also, it is evident that when you spend billions of advertising dollars promoting a group of products -- like beer and wine -- consumption of those products will rise...and, in fact, alcohol consumption has increased by almost 50 percent per capita since 1960. When it comes to alcohol, however, it is comic to hear the producers and broadcasters argue that ads do not increase consumption, only switch people from one brand to another. As a writer in "Advertising Age," observed, "A strange world it is, in which people spending millions on advertising must do their best to prove that advertising doesn't do very much!"

In fact, there is ample evidence to support the common sense view that billion dollar advertising assaults boost sales.

* First, as we describe in our book, The Booze Merchants, marketing executives readily acknowledge that they want to maximize sales, partly through advertising. As one major wine advertiser said, "Today we consider any liquid at all our competitor. We're positioning ourselves like a soft drink."

* Government-sponsored studies, such as the one Dr. Atkin will describe, demonstrate a convincing association between advertising and consumption.

* Also, the best evidence obtainable is provided by a current natural experiment. Beer and wine companies spend enormous sums on broadcast ads. Liquor companies, to their credit, spend nothing. Look at sales over the past decade: beer and wine sales increased steadily until leveling off in the past year or two, while liquor sales are down in nine of the past ten years.

To try to reduce the pressure to drink, a coalition of citizens groups, in 1982, wrote to all major alcohol producers in the U.S., asking that they voluntarily reform their marketing practices. We did not hear from a single company.

The next year, a coalition of citizens groups petitioned the Federal Trade Commission to implement major reforms of alcohol advertising. Fifteen months later, we still have not received a reply.

Therefore, in 1984 more than two dozen national citizens groups, and literally hundreds of state and local ones, including several that are testifying here today, mounted a national grassroots petition campaign called "Project SMART" to show Congress that the public wants action. We are seeking one million signatures in support of either a ban on beer and wine commercials, or an equal time requirement.

The public has shown tremendous support for doing something about alcohol commercials: over 700,000 people have already signed the SMART petition, and a recent public opinion survey showed the public divided almost evenly on whether beer and wine commercials should be outlawed. We believe that an overwhelming majority of the public supports an equal-time rule.

This support for a ban or equal time is consistent with what First Amendment authorities, like Stanford Law Professor Marc Franklin, have determined is a legitimate area for congressional action.

I should add, in conclusion, that we view advertising reforms not as a panacea, but as one facet of a comprehensive program to re-define the role of alcohol in our society. Sweden has implemented just such a program, and that nation's alcohol consumption and problem drinking have been declining significantly.

We have more extensive written testimony that we would like to submit for the record, and, of course, I would be pleased to answer any questions you might have.

# # #

Testimony before the Subcommittee on Alcoholism and Drug Abuse
Senate Committee on Labor and Human Resources
February 7, 1985

Michael F. Jacobson, Ph.D.
Executive Director
Center for Science in the Public Interest
1501 16th St. NW
Washington, DC 20036
(202) 332-9110

I. INTRODUCTION

We applaud Senator Hawkins and the Subcommittee for holding this inquiry into alcohol advertising, the first such hearing in almost a decade, and appreciate the opportunity to present our views.

I am the executive director of the Center for Science in the Public Interest, a non-profit organization that is supported largely by our 30,000 individual members living in every state of the union, including 1,378 in Florida. Since 1971, CSPI has focused its energies on informing the public about and solving important health and environmental problems. Much of our work has been devoted to improving America's nutrition policies in order to reduce the incidence of heart disease, stroke, cancer, and other diet-related diseases. Our project on alcohol policies commenced several years ago when we recognized how a significant portion of the diet -- that consisting of alcohol -- relates to health and social problems that dwarf practically all others.

Traditionally, efforts have focused on treatment of alcoholics, an undeniably important activity. In the past several years, though, many health experts have urged that more attention be devoted to preventing alcohol abuse and alcoholism.(1)

The present hearing is focusing on broadcast advertising of alcoholic beverages, but any such discussion must be placed within the overall context of alcohol problems in our society. According to government estimates, each year alcohol contributes to between 100,000 and 200,000 deaths(2) and results in economic costs of some $120 billion.(3) Alcohol, as many know, is related to about half of all highway deaths. Less well-known is that half or more of all drownings, cases of spouse and child abuse, homicides, and rapes are also related to alcohol.(4) Alcohol affects practically every organ in the body, and inappropriate use can cause brain damage, birth defects, liver cirrhosis, and several gruesome forms of cancer (mouth, throat, larynx, and esophagus). Alcohol, much more so than cigarette smoking (the other major potentially deadly habit promoted by advertising), ruins millions of families and careers and undermines the educational experience of our young.

Implementing a national program to minimize alcohol problems is something that is just coming into focus on the horizon. A comprehensive program would consist of massive educational efforts, improved product labeling (ingredients, warning notices, and calorie declarations), effective drinking-driving measures (including automatic seatbelts, airbags, license revocations, and alcoholism treatment referrals), increased excise taxes (partially earmarked for alcohol programs), and reforms of alcohol marketing. Meanwhile, identification and treatment of alcoholics should also continue unabated. Each part of such a program will have a modest effect by itself, but the several facets implemented together will interact synergistically to yield a dramatic reduction in alcohol problems in the coming decade.

The importance of this multi-faceted approach to alcohol problems may be best appreciated by foes of drunk driving. Even with massive public support, roadblocks, stiffer penalties, and numerous broadcast public service announcements, the proportion of alcohol-related traffic fatalities (according to the National Highway Traffic Safety Administration) has declined almost imperceptibly in the past four years.(5) This dismal progress suggests strongly that as long as millions of Americans continue to drink to excess, all too many of them will also drive an automobile while intoxicated. The real solution lies in modifying -- and reducing -- the role of alcohol in our society.

II. HISTORY OF EFFORTS TO REFORM ALCOHOL ADVERTISING

As members of this Committee probably know, companies promote the sale of alcohol in practically every way imaginable, ranging from "spring break" parties on the coasts of Florida and Texas to student marketing representatives on college campuses to persuasive television commercials. Television and radio advertising is one of the most important, and effective, components of the beer and wine industries' promotional efforts. Out of advertising budgets for all alcoholic beverages that total $1.2 billion annually, brewers and vintners alone devote over $750 million to broadcast advertising. This represents an increase in radio ad expenditures of 300 percent and television ad expenditures of 490 percent between 1970 and 1983(6), far in excess of the 157 percent increase in the consumer price index during that period.(7)

While broadcasters, particularly in recent months, have aired a flurry of public service announcements concerning drunk driving (and rarely other alcohol-related problems), the quantity, quality, and timing of the alcohol ads altogether overwhelm the public service announcements. (We note that the National Radio Broadcasters Association claims that radio stations sponsored $127 million of alcohol-related PSAs, programming, and promotional activities last year, only slightly less than their estimated revenue from beer and wine ads. [NRBA Alcohol-Related Public Service Survey; January 1985] While well-intentioned, the NRBA's survey methods are so flawed that the results are highly questionable [only 20 percent response from stations; self-selected responders; no means of verification; among other problems], yet even this survey acknowledges that stations participating in the survey broadcast an average of only about two alcohol-related PSAs a day. Also, what a contrast there is between a boring five-in-the-morning talk show and slick, musical spots that pound away in prime time. It is somewhat ironic, if radio stations really give almost equal time to health messages about alcohol, that they would contest legislation that would insure their interest in PSAs is not temporary.)

Our efforts to reform alcohol marketing practices began almost three years ago, in March, 1982, when CSPI and 19 other citizens groups wrote to all major domestic brewers, vintners, and distillers, urging voluntary restraints in marketing activities, particularly those which were aimed at youngsters and heavy drinkers. (See attached letter, Exhibit I.) Not one single company responded. One trade association, however, to which no letter was even addressed, responded with a summary rejection.

In light of the alcohol producers' failure to regulate themselves or to respond to expressions of concern from citizens groups, in November, 1983, CSPI and two dozen other groups petitioned the Federal Trade Commission to open a broad investigation of the marketing of alcoholic beverages. (See attached summary of actions requested in CSPI's petition, Exhibit II.) The petition called for a ban on all marketing efforts aimed at youths and heavy drinkers, the two most vulnerable audiences. Among other actions, it also asked for warning notices within print ads and equal time for health messages concerning alcohol to balance alcohol ads. Despite the passage of fourteen months, the petitioners have had no response from the FTC.

III. BROADCAST ADVERTISING FOR ALCOHOL & PROJECT SMART

Inasmuch as the FTC is unlikely to undertake major reforms without clear signals from Congress, CSPI and other groups saw the need to demonstrate the public's concern about alcohol ads to the President and Congress. Last June, two dozen national organizations announced Project SMART (SMART stands for Stop Marketing Alcohol on Radio and Television), a national petition campaign calling for either an end to broadcast beer and wine commercials or equal time for health messages about alcohol.

Since its announcement, Project SMART has gained the endorsement or support of hundreds of national, state, and local groups, ranging from the Florida Council for Alcohol Problems to the Virginia Association of School Psychologists, from Remove Intoxicated Drivers (RID) to Parents' Resource Institute for Drug Education (P.R.I.D.E.) The SMART petition has already been signed by over 700,000 individuals, as we move toward a goal of one million signatures, a level of support that we believe will demonstrate conclusively that a broad cross-section of Americans is fed up with the drumbeat of alcohol ads.

The current depth of the public's concern was recently reflected in a national poll by SRI Research, which found that Americans favor a continued ban of liquor ads on radio and TV by a 3 to 2 majority, and divide almost evenly on banning beer (43% in favor of a ban, 49 percent opposed) and wine (41% in favor of a ban, 50% opposed) ads as well.(8) Unfortunately, the survey did not ask about equal time for health messages, Project SMART's alternative corrective remedy that we think would be supported by an overwhelming majority.

Although we are concerned about all forms of alcohol marketing, we are particularly troubled by broadcast advertising. Broadcast ads are special, because:

(1) they can be so much more rivetting and intrusive than print ads, which sit politely on a page;

(2) radio and TV use publicly regulated air waves, and stations are licensed to serve the public interest; and

(3) the broadcast audiences include millions of young children and teenagers who watch and listen to everything adults tune in on, in addition to the minimal amount of programming produced specially for them.

Each week, television reaches 90 percent of all teens and 92 percent of all children. Teenagers watch TV 3.5 hours a day and youngsters aged 2 to 11 spend close to 4 hours glued to the tube.(9) Many children spend more time watching television than they spend with their parents, their friends, or in school. These young people are exposed to thousands of seductive ads for alcoholic beverages on radio and television long before they are even of legal age to drink. Is it any surprise that we regularly hear stories of 6-year old children for whom "Miller Time" and beer jingles have become buzz words? Consider that nearly a third of 4th to 6th graders responding to a Weekly Reader survey on alcohol reported that TV and movies made alcohol seem like fun.

Kids grow up in a sea of ads that link social, business and athletic success to the alcoholic beverage of choice. Broadcast ads play a notable socializing role in children's lives, telling children time after time, day after day, that drinking is an essential ingredient in a happy, successful, American life. A steady barrage of "Miller Times," "Bring Out Your Best," and "This Bud's for You," serves to provide strong psychological and emotional support for drinking alcohol. These appeals do not even pretend to contain basic consumer information about the products. At a time when alcohol problems and heavy drinking among young people are epidemic and when more youths are trying alcohol at younger and younger ages, these messages promoting drinking are destructive and patently out of step with society's efforts to stem the tide of alcohol abuse.

IV. THE FAILURE OF VOLUNTARY ADVERTISING GUIDELINES

For years, the broadcasting, wine, and beer industries have claimed that their voluntary advertising codes adequately protect the public from inappropriate commercials. Such codes, despite recent improvements in certain cases, have provided the shadow of protection without the substance. The only code that has worked to the public's benefit, and deserves special praise, is the generally respected, self-imposed ban on broadcast liquor advertising. We are frankly puzzled by the hypocrisy of the broadcasters' self-imposed ban on ads for distilled liquor products that are little different from beer and wine. If the networks' bans reflect a genuine concern for the public's health and safety, surely they should be extended to other alcoholic beverages, which are just as likely to be linked with highway deaths, drownings, spousal abuse, and the raft of other alcohol-related problems. Also, while liquor companies run full-page advertisements that point out that typical drinks of liquor, wine, and beer all contain about the same amount of alcohol, liquor producers that own wineries still advertise their wines on radio and television.

The voluntary codes all decry advertising aimed at young people. Yet, who would deny the youth appeal of Wild Irish Rose wine ads that feature contemporary rock music, break-dancing, and a Michael Jackson look-alike? (Surprisingly, only one national network, NBC, refused to run the Wild Irish Rose ads.(10)) This is in clear violation of the Wine Institute's Code of Advertising Standards that states: "Any advertisement which has particular appeal to persons below the legal drinking age is unacceptable." Are those Schlitz Malt Liquor spots that use rock or country music much different? Or the Budweiser Lite ads that depict athletes to sell viewers on the idea that that beer will "bring out your best." Miller Lite's ads use many famous and even recently retired athletes and are clearly attractive to youths. (While the retirees may not look like college kids, children often respect or idolize adults and their parents' heroes.)

Some ads are aimed at heavy drinkers and encourage heavy drinking(11), despite brewing industry advertising guidelines that proclaim: "Beer advertisements should neither suggest nor encourage overindulgence." Watch the Coors Lite ad that features pop music and shows youthful models at a carnival. The music says "beer after beer, and don't hold back." Another ad for this product recommends drinking all night long.(12) Commercials for Harvey's Bristol Cream Sherry tell viewers to drink out of big tumblers instead of the traditional tiny sherry glasses. The drinks in the tumblers contain probably five times as much alcohol. And then there are the commercials that encourage regular or daily drinking: "put a little weekend in your week" with Michelob, and reward yourself after work every day with Miller or Budweiser beer.

This is a sampling of some of the worst alcohol commercials of recent months that have aired notwithstanding industry's purported attempts at self-regulation (a videotape was shown at the hearing). But even if these and similar ads were removed, we would still be left with an enormous imbalance between glamorizing ads and honest information about alcohol. Virtually no PSA's inform the public of alcohol's alarming connection to spousal and child abuse, to suicide, to violent crime and thousands of industrial fatalities and non-auto accidents. (See attached "Estimated Alcohol Related Problems and Costs." Exhibit III) Much the same holds true in the case of information about the hazards of drinking, even moderately, during pregnancy. Likewise, far too few messages feature young-adult role models who present alternative lifestyles. People, particularly youngsters and adolescents who are shaping their attitudes about alcohol use, need to be reminded again and again that alcohol is a potentially dangerous, addictive drug that is causing more damage to our society than all the other drugs, legal or not, put together.

V. EVIDENCE LINKING ADVERTISING AND DRINKING

Any decision to reform alcohol advertising should be based on broad social considerations, as well as on a rational, common-sense inquiry into its effects. Rather than be stymied by a never-ending search for the perhaps elusive "definitive" proof that industry demands, we should move forward with the best evidence that is available today. We would like to cite empirical evidence that is too often ignored in this debate. (We note in passing the ironic, even comic, need to demonstrate the obvious, namely that massive advertising expenditures tend to increase overall sales.) Following is some of the pertinent evidence:

* First, a massive experiment is being conducted in the U.S. right now. The question being asked is, "What would happen to alcohol sales if beer and wine were heavily advertised on radio and television, but liquor advertising was prohibited." The results of this study, which is on-going, are convincing: beer and wine have steadily increased in sales and per capita consumption and have captured a progressively larger share of the alcoholic beverage market. At the same time, according to industry's own figures, liquor sales have declined in nine of the past ten years, despite heavy print advertising. Since 1971, per capita sales of beer rose 22 percent and of wine rose 13 percent. By stark contrast, sales of spirits have dropped 10 percent. (13) Viewed from another perspective, fifteen years ago liquor accounted for half of all retail sales of alcoholic beverages. Today, liquor accounts for only about one-third of the sales. Other factors may affect liquor sales, but this evidence supports the hypothesis that advertising has a significant effect.

* Second, after the last set of Senate hearings on alcohol advertising (1976), four federal agencies (FTC, BATF, NIAAA, NHTSA) sponsored a major study on alcohol advertising. The study was

supervised by Professors Charles Atkin and Martin Block at Michigan State University. They found that exposure to advertising correlated closely with beer and liquor consumption. They also found that young people were particularly influenced by celebrities in ads. The presence of famous comedians, retired athletes, sportscasters, and alleged wine-tasting experts in so many television ads is worth mentioning in this regard. Clearly, the time is more than ripe for BATF or FTC action. Professor Atkin more recently has demonstrated that alcohol "advertising also exerts a significant impact on the frequency and quality of general alcohol consumption." (14)

* Dr. Paul C. Whitehead of the Toronto Addictions Research Foundation has addressed the issue of alcohol advertising. He found "that advertising can successfully be used to alter market share and/or total demand under certain circumstances... [and that the] nature of the advertising and the structure of the industry are in keeping with the circumstances wherein advertising is most likely to increase total demand rather than simply affecting preference for certain brands." (15)

* The highly respected British medical journal, The Lancet, considered alcohol advertising several years ago and supported a total ban. The editors of the journal estimated that a ban on advertising could reduce alcohol consumption by 13 percent. The Lancet stated:

> A reduction of consumption by 13 percent may seem modest, but the impact could be considerable. The general view is that a fall in per capita consumption is reflected in a greater fall of consumption by heavy drinkers, who of course are those at greatest risk of alcohol-related harm. The likely reduction of consumption in this category has been reckoned as high as 25 percent, so a ban on advertising might save the nation much illness and misery. (16)

* Instructively, two Federal Appeals Courts have upheld state legislative bans based on rational, common-sense evidence. After reviewing the record, the Fifth Circuit Court of Appeals concluded:

> [T]he advertising ban is sufficiently justified to pass constitutional muster. We simply do not believe that the liquor industry spends a billion dollars a year on advertising solely to acquire an added market share at the expense of competitors. Whether we characterize our disposition as following the judicial notice approach taken in Central

> Hudson Gas, or following the "accumulated, common-sense judgment" approach taken in Metromedia, we hold that sufficient reason exists to believe that advertising and consumption are linked to justify the ban, whether or not "concrete scientific evidence" exists to that effect. (17)

Yet additional research could be done in the area of alcohol advertising, particularly with regard to the effect of saturation advertising on children, heavy drinkers, and recovering alcoholics. Advertising's effects on conditioning society to perceive drinking as an integral part of a satisfying, successful life should also be studied. Unfortunately, most of the existing research has been sponsored by industry, and is therefore highly suspect. We would like to see more research, but do not believe that legislators should postpone action pending "scientific" proof acceptable to the beer, wine, and broadcasting industries. While such research inched along, advertisers would continue to drown children (and adults) in a sea of seductive ads that promote a culture of drinking.

This committee and others interested in getting to the heart of industry's intentions would benefit immeasurably, and streamline their investigations considerably, by inspecting, if necessary by subpoena, the unpublished research, internal memos, and marketing strategies of brewers, vintners, ad agencies, and broadcasters. New studies, in all likelihood, would only corroborate the great deal of evidence that is already privately available. As one case in point, I would like to note for the record a Coors Company "Marketing/Advertising Fact Sheet" (July 1982) that states: "The target audience for Herman Joseph's is male 18 to 34 with emphasis on the 18 to 24- year-old." Interestingly, this beer contains 10 percent more alcohol than Coors' regular beer. Even today, as an increasing number of states raise their legal purchase age to 21, we continue to read in Advertising Age magazine that wine cooler companies and brewers persist in wooing 18 year olds, in "21" states and with national campaigns. The demographics of target broadcast audiences, available from industry sources, would provide equally interesting indications of the companies' intentions.

VI. RESPONSES TO DEFENDERS OF ALCOHOL COMMERCIALS

The industry's public relations people are quick to oppose restrictions on alcohol advertising on the grounds that ads merely switch drinkers from one brand to another, and do not increase consumption. Such claims are ludicrous. Undoubtedly, broadcasters would not make such arguments when they are wooing advertisers, nor would marketers seeking beverage clients concede such a limitation. As an editorial in Advertising Age magazine (August 7, 1978) pointed out, "A strange world it is in which people spending millions on advertising must do their best to prove that advertising doesn't do very much!"

Industry's marketing specialists, unlike the public relations spokespersons, cheer efforts to boost beer, wine, and liquor consumption. For example, the advertising executive for one wine company said, "I think the whole business is going to try to broaden its consumer base. We'd like to see per capita consumption increase to 2.5 gallons." (18) Even the current Vice President for Research of the U.S. Brewers Association recently reminded brewers and beer wholesalers that they were "competing ... with not only spirits and wine, but non-alcoholic beverages as well ... and beer must be positioned generically if success in the marketplace is to be achieved." (19) Another ad executive, Charles Sharp, said, "I am confident that any private enterprise, whether the automobile business or liquor business, is trying to keep their business by expanding their market." (20)

One NBC executive said, "People are not creating messages with malice aforethought ..." in broadcast alcohol ads. (21) However, the issue here is not malice. Rather, it is the irresponsible commercial behavior that sells as much air-time or as much alcohol without adequate regard to the societal consequences, unintended though they may be. Young people watch television all day long, and broadcasters must simply accept the fact that young people are in the audience. Inherent in the word "broadcasting" is the notion that the signals are not narrowly targetted, but reach a broad market. But, beyond the incidental appeals to young people, there are those that are more direct. Beer and wine are heavily advertised on youth-oriented late night music and comedy shows, and rock, soul, and country music radio shows. The radio ads can be particularly insidious, because they often blend into the programming. In recent months we have seen reports that brewers and vintners will be expanding their marketing efforts from sports telecasts, the ratings of which have been declining, to prime time shows. This time slot also has large numbers of youth viewers.

Industry officials have demanded that research prove a strict causal connection between advertising and alcohol problems. As discussed above, there does exist credible research demonstrating the effects of advertising on consumption. Nevertheless, the more relevant question is whether research has proven that the $750 million worth of radio and television advertising does NOT increase alcohol consumption and alcohol problems. This is the test that society should long ago have demanded of alcohol advertisers before allowing the purveyors of a potentially addictive product to hawk their goods on the public airwaves. It is this same test that should be applied today in society's efforts to reduce alcohol problems.

VII. FIRST AMENDMENT CONSIDERATIONS

Among other objections to reforms of alcohol advertising, the industry spokespersons have contended that a ban on advertising would violate purported commercial speech "rights" under the First Amendment to the U.S. Constitution. In 1971, a federal court rejected a similar First Amendment challenge to Congress' statute prohibiting broadcast cigarette advertising. Capital Broadcasting Co. v. Mitchell, 333 F. Supp. 582 (U.S. Dist. Ct., Dist. of Col., 1971), aff'd mem, 405 U.S. 1060 (1972). In the case of alcohol, UCLA constitutional law professor Steven Shiffrin has likewise noted: "There is no war between the First Amendment and common sense. A carefully drafted statute prohibiting alcoholic beverage advertisements would not contradict any principles of First Amendment law."

The constitutionality of alcohol ad bans has already been affirmed by federal courts. Just last year the U.S. Supreme Court declined to overturn a decision by the U.S. Court of Appeals for the Fifth Circuit which upheld a Mississippi state ban on alcohol advertising. Dunagin et al. v. City of Oxford, Mississippi, 718 F.2d 738 (1983). A similar ban was upheld, over First Amendment challenges, by the Tenth Circuit Court of Appeals. Oklahoma Telecaster Ass'n v. Crisp, 699 F.2d 490 (1983) rev'd on non-First Amend. grounds in Capitol Cities Cable, Inc. v. Crisp, ___ U.S. ____ (1984).

Support for the constitutionality of alcohol advertising bans has also been voiced by other noted First Amendment experts, including Stanford Law Professor Marc A. Franklin. As Professor Franklin observes in his February 2, 1985 letter to Senator Hawkins:

> It is hard to imagine what [U.S. Supreme Court] Justice, let alone what five Justices, would vote to invalidate a properly drafted Congressional statute enacted to reduce the annual toll of documented harms attributable to a perceived relationship between alcohol advertising and alcohol abuse.

In other words, if Congress acts to restrict ads based on "a perceived correlation between commercials for alcoholic beverages and the existence of alcohol abuse," the Court would defer to its judgment. (See attached Marc Franklin letter, Exhibit IV) Of course, ordering equal time for health and safety messages regarding alcohol is even less constitutionally troublesome.

VIII. THE CIGARETTE EXPERIENCE

Industry spokespersons also maintain that a ban on broadcast alcohol advertising would not stop people from drinking, just as they allege that the ban on cigarette commercials has not prevented people from smoking. A ban on cigarette commercials has never been held out to be a panacea, particularly when the tobacco companies have waged massive new campaigns to attract and retain smokers. In addition to the noisy introduction of new products and the unprecedented level of print and billboard advertising that portray smoking as part of a beautiful, happy, and youthful lifestyle, tobacco companies even sidestep the law by cleverly keeping their brand names on TV screens during tennis matches, football games, and hockey contests.

The absence of cigarette broadcast ads, with their sexy, alluring, macho images, has certainly enhanced the ability of anti-smoking programs to have an impact. People still smoke, but since the ban on broadcast cigarette ads, smoking practices have changed dramatically. In the past decade the number of cigarettes smoked per capita has declined by about 20 percent, and tobacco use has declined by nearly 30 percent per capita (22) (cigarettes contain less tobacco than they once did.). Per capita cigarette consumption is now at its lowest point since 1949. Also, daily smoking among high school seniors declined from approximately 20 percent among boys in 1976 to 14 percent in 1983, and among girls from 17.5 percent in 1976 to 15 percent in 1983. (23) These declines should be contrasted to substantial increases that likely would have occurred if cigarette ads had not been banned, excise taxes not raised, warning labels not required, and educational efforts not undertaken.

The cigarette experience offers another important lesson not adequately recognized: reforming broadcast advertising without taking other actions will yield only a limited reduction in alcohol problems. To reap maximal effect from a ban on broadcast alcohol ads, or from an equal time measure, this nation needs to initiate a comprehensive program, the individual elements of which, as described above, would interact in a cooperative fashion to have the greatest impact on one of the most serious health and social problems of our time.

IX. ALCOHOL AD REVENUES

Broadcasters complain that the costs related to either a ban or an equal time requirement would be onerous. The historical evidence is that they will survive and prosper, just as they weathered the congressional ban on cigarette ads and the voluntary ban on liquor advertising. According to the National Radio Broadcasters Association, the $170 million that radio stations receive from the alcohol industry each year represents less than 6 percent of their total revenue. For television stations, the approximately $600 million in alcohol ads represents only about 5 percent of total revenues. Moreover, if a ban were ordered, stations would quickly replace most of the alcohol ads with other advertising. It is incredible to suggest, as broadcasters do, that the only advertised product that sports fans have in common is beer. In fact, stations are already replacing beer sponsors of sports programs, as brewers move their sponsorship from sports into other programming. No noticeable lack of football or basketball contests has resulted from this shift.

Admittedly, there would be slightly less competition for advertising time and the usurious rates that some broadcasters extract -- $1 million per minute for an ad during the recent Super Bowl, for instance -- could decline somewhat. However, any losses to broadcasters and reduced sales for vintners and brewers (though, of course, they contend that advertising does not affect overall sales) will be more than outweighed by the health and safety benefits to the public.

X. OTHER INDUSTRY ARGUMENTS

One final contention from the industry's trawler of red herrings is that the Soviet Union, Sweden, and other nations that have banned broadcast alcohol advertising still have alcohol problems. The key question to ask in this regard is whether those nations' drinking problems would be greater if their citizens were barraged with the most sophisticated, seductive electronic advertising assault imaginable. It is naive to predict that alcohol problems would not increase.

Contrary to industry's contentions, the Swedes have not _recently_ instituted a ban on broadcast ads. They have _never_ permitted such ads. Though they drink one-third less alcohol than Americans, Swedes still have alcohol problems. But, unlike American policy-makers, the Swedes have implemented a comprehensive program that includes education, steep taxes, drunk driving laws, and ad bans, and seem to be making real progress. The evidence is illuminating:

* per capita alcohol consumption declined 21 percent between 1976 and 1983. (24)

* the percentage of 9th grade boys and girls who acknowledge drinking once a month or more declined from 39 percent in 1979 to 25 percent in 1981. (25)

* the percentage of sixteen-year old boys who stated that they consumed the equivalent of half a bottle of liquor or more when they drank dropped from 40 percent during the 1970s to 28 percent in 1981. (26)

* the number of people enrolled in public institutions for alcoholics declined from 2738 to 2400 between 1975 and 1981. (27)

This Swedish trend is in sharp contrast to U.S. data that indicate relatively stable, high levels of alcohol use among high school students. Indeed, the percentage of high school seniors who report binge drinking -- five or more consecutive drinks -- at least once in the two weeks preceding the survey, is at an alarming 40 percent. High school senior binge drinkers have increased about 10 percent since 1975. (28)

XI. RECOMMENDATIONS

While in recent months broadcasters have aired an unprecedented number of drinking-driving PSAs, that temporary effort is suspect given that it comes on the heels of public demands for congressional action.

Major reforms are needed if we want to achieve a balance in the information young people and others receive about alcohol. Therefore, CSPI and the many other supporters of Project SMART urge members of this Subcommittee to vigorously advocate legislation on advertising. We urge that the Subcommittee endorse one of two measures. The Subcommittee could recommend a total ban on alcohol advertising from the airwaves. That would insure that the most powerful advertising yet devised would not encourage children, alcoholics, recovering alcoholics, and others to take up drinking or increase it. This approach would allow educational programs on alcohol to be conducted without subversion by television and radio commercials.

One alternative to a ban would be a statute requiring broadcasters to provide equal time for public service announcements concerning alcohol. The PSAs should cover all aspects of alcohol education, not just drunk driving. With the certainty of air-time being available, numerous spots would be developed by private organizations, such as the National Council on Alcoholism and the PTA, and federal agencies, including the National Institute on Alcohol Abuse and Alcoholism. While the PSAs need not be placed directly adjacent to ads, the quality and quantity of air time should equal that of the ads. This approach would insure that the advertisers' highly biased messages are balanced by truthful and useful information.

Whatever approach to reforming powerful broadcast advertising is ultimately taken, we urge that legislation also apply to cable television stations. While, technically, cable is not considered broadcast, there is no difference as far as television viewers are concerned. It would be an avoidable outrage if alcoholic beverage producers move quietly from broadcast to cable to escape the restrictions.

CONCLUSION

In summary, I repeat that the hundreds of local and national organizations supporting Project SMART greatly appreciate the vision of this Committee in holding this important hearing on broadcast alcohol advertising. Nothing but benefits for the American public can follow. Thank you for the opportunity to present our views.

FOOTNOTES

1. Alcohol and Public Policy: Beyond the Shadow of Prohibition, National Academy Press, Washington, D.C. 1981.

2. Third Special Report to the U.S. Congress on Alcohol and Health, NIAAA, June 1978.

3. The Effectiveness and Costs of Alcoholism Treatment, Health Technology Case Study 22, Office of Technology Assessment, U.S. Congress, March 1983. "Updated Costs to Society of Alcohol Abuse, Drug Abuse, and Mental Illness, 1983", Research Triangle Institute, July 1984.

4. Fifth Special Report to the U.S. Congress on Alcohol and Health, December 1983.

5. The New York Times, Dec. 26, 1984.

6. Advertising Age; Impact Newsletter (M. Shanken Communications).

7. Bureau of Labor Statistics, Average Consumer Price Index for 1970 = 116.3, 1983 = 298.4.

8. SRI, Inc., survey quoted in Advertising Age, Jan. 14, 1985 (p. 4).

9. "TV Basics," Television Advertising Bureau, New York.

10. Wall Street Journal, January 30, 1985, p. 10.

11. A noted advertising authority has observed: "Liquor advertising to the young or to the heavy drinker, if it is effective even in the slightest, is socially costly and morally questionable." M. Schudson, Advertising, The Uneasy Persuasion 240 (Basic Books, 1984).

12. According to the Wall Street Journal, Coors has recently withdrawn some of these ads, supra note 7.

13. Alcohol and Health 1983, p. 1.

14. Paper presented at 1984 "Control Issues in Alcohol Abuse Prevention," conference, Charleston, S.C., Oct. 1984.

15. "Is Advertising Effective? Implications for Public Health Policy", B. Rush and A. Osborne (eds.), Evaluation Research in the Canadian Addictions Field 146 (1983).

16. The Lancet ii 1175 (Nov. 29, 1980).

17. Dunagin, et al. v. City of Oxford, Mississippi, 718 F.2d 738 (5th Circuit, 1983).

18. Beverage World "100-Year History 1882-1982" (1982).

19. "The Brewing Industry in Transition, Trends and Prospects for the 1980's', Speech presented at the 47th Annual Convention of the National Beer Wholesalers' Association, October 30, 1984, delivered by Phillip C. Katz, Senior Vice-President--Research, United States Brewers Association (reported in Brewers Digest, November 1984).

20. Interview, August 11, 1982, noted in M. Jacobson, G. Hacker, R. Atkins, The Booze Merchants 145 n. 16 (1983).

21. Betty Hudson, "CBS Evening News," Dec. 24, 1984.

22. "Tobacco Situation," various issues, USDA Publication (1984).

23. "Drugs and American High School Students", p. 51 (1984, U.S. Department of Health and Human Services).

24. Fact Sheets on Sweden, "Alcohol and Drug Abuse in Sweden", FS 77 j Ohi, The Swedish Institute, Stockholm (July, 1984).

25. Fact Sheets on Sweden, "Facts and Figures about Youth in Sweden", FS 88 Ohfb, The Swedish Institute, Stockholm (December, 1983).

26. Id.

27. Social welfare statistics, Table 360, Swedish embassy, Washington, D.C.

28. "Student Drug Use in America" (1982, National Institute on Drug Abuse).

March 31, 1982

Dear Sir or Madam:

The undersigned organizations and individuals share a deep concern about health and consumer problems and policies. In particular, we are concerned about the massive, complex, and vexing problems related to the consumption of alcoholic beverages and the practices of the alcoholic beverage industry.

The harm to drinkers and the rest of society due to cirrhosis, impaired learning, obesity, cancer of the mouth and throat, drunken behavior, mental retardation, time lost from work and shoddy workmanship, traffic deaths, and family violence is enormous. Identifiable economic losses amount to $75-100 billion per year. In one way or another, alcohol affects everyone.

Per capita consumption of alcohol is increasing gradually --about ten percent in the past decade-- and may increase faster as marketing budgets and availability increase. A special problem --and of special concern-- is teenage alcoholism. The recent finding of the University of Michigan's Institute for Social Research that 41 percent of high school seniors indulged in binge drinking (five or more drinks in a row) within a two-week period is truly shocking. Another government-sponsored study, this by Michigan State University, found that one out of eight high school freshmen and sophmores had drunk five or more beers in a typical week. The MSU researchers concluded that beer and liquor advertising is especially effective with youths and actually increases alcohol consumption.

Despite the severity and pervasiveness of alcohol problems, the federal government is reducing its role in prevnting or ameliorating them. This leaves a void that could be filled, at least in part, by private efforts, including those of industry. Voluntary industry efforts to cope with social problems are a keystone of President Reagan's philosophy. In fact, the social responsibility of the industry shall be measured by what it does voluntarily in the coming months and years.

The alcoholic beverage industry has a unique responsibility in preventing alcohol problems, providing consumers with appropriate information about alcoholic beverages, and aiding consumers who suffer from alcohol problems. We recognize that many corporate officials share our concern about alcohol problems. Nevertheless, we would like to suggest a range of things that your company could do on its own or through industry-wide cooperation. While none of these steps individually will end alcohol abuse and alcoholism, together they would have a significant impact.

- Voluntarily list the number of calories per serving of product on every label, as they are now listed on reduced calorie beverages. Many Americans are more concerned about the calorie content than any other aspect of their foods and beverages.

- Voluntarily list on the label ingredients and additives used in your products, as a few companies --such as Latrobe Brewing Co.-- are already doing. Such lists could prove life-saving, and would be of interest to all consumers.

- Place the following notice on all labels: "If you have a drinking problem, call an organization listed under 'Alcohol Information' in the Yellow Pages." Facilitating treatment of alcoholism should be a high priority.

- Beer labels (in most states) and ads do not disclose the alcoholic nature of the product. Lack of this disclosure may contribute to the notion that beer is more a soft drink than an alcoholic beverage. Brewers should note on labels and in ads: "Beer is an alcoholic beverage."

- Review your advertisements and eliminate inappropriate messages. In particular,

  (a) Do not use sexually-oriented messages or illustrations in your advertisements. Such ads erroneously imply that the product will contribute to sexual happiness. The ads also encourage people to treat others as sexual objects rather than human beings.

  (b) Do not depict current or former athletes in ads. The use of athletes suggests, if only implicitly or subconsciously, an association between alcoholic beverages and athletic performance. Such ads are misleading.

  (c) Do not depict risky activities, such as auto-racing, skiing, canoeing, and mountain-climbing, that require mental alertness. Such ads misleadingly associate drinking alcohol with success in those activities.

  (d) Do not suggest in ads that alcohol will contribute to business or social success. In light of the millions of careers and families destroyed by alcohol-related problems, such ads are misleading.

- Cease all marketing efforts that are directed to or reach sizeable numbers of young children and teenagers. Specifically, this would include such measures as ending drinking contests at colleges, restricting broadcast advertising until after 9:00 p.m., cessation of advertising in college newspapers, and ending sponsorship of sports events. Do not depict young-looking people in advertising. It is vital to discourage alcohol abuse by children as well as adults.

- Contribute a sum of money equal to a significant portion of your marketing budget or your annual sales to an independent Foundation for the Prevention of Alcohol Problems. The Foundation would sponsor "advertising" and other educational programs to discourage heavy drinking, teenage drinking, and other inappropriate practices. The program would be planned by people, including some current and recovered alcoholics, drawn from health and alcoholism organizations, government, business and industry, university, consumer organizations, and other sectors.

- Voluntarily place warning notices on labels of all alcoholic beverages. Companies might use one notice --as proposed by Senator Strom Thurmond and Congressman George Brown-- or a rotating series of notices as the Swedish government requires on cigarettes and as several members of Congress have proposed for American cigarette packages. The notices would pertain to birth defects, traffic accidents, cirrhosis, decreased life expectancy, loss of mental acuity, and other problems related to the excessive or unwise consumption of alcoholic beverages. We would suggest such phrasing as "The Surgeon General advises pregnant women not to drink any alcoholic beverages", "Driving under the influence of alcohol is illegal", and "Smokers who drink alcohol increase their risk of mouth and throat cancer." The labels of at least one American wine company touch very lightly on health problems.

This list may seem long, but most of the suggestions are essentially without cost and easily done, and some might actually boost your share of the market. Please recall that the recent Michigan State University study on alcohol advertising showed that consumers thought more highly of ads that contained a health notice than similar ads without the notice. (Seagram's ads usually note "enjoy our quality in moderation" and are a step in the right direction.) The first companies to adopt the suggested measures would receive a great deal of favorable publicity. More importantly, though, the cost of any of these measures should be contrasted to the economic losses, health damage, broken families, and other consequences of alcohol abuse and alcoholism. The industry whose products are related to such enormous harm has a moral responsibility to help in substantial ways to reduce the harm. Finally, by taking voluntary actions now, future governmental actions could be avoided.

We look forward to your thoughts regarding these suggestions. If your company subscribes to some of these measures, please tell us of your experiences. We would welcome working with you on any of the measures that your company may consider instituting.

Sincerely yours,

Michael F. Jacobson

(signing for those listed below)

Action for Children's Television
Peggy Charren

American Council on Alcohol Problems
William Plymat

* Center for Science in the Public Interest
Michael F. Jacobson, Ph.D.

Community Nutrition Institute
Rodney Leonard

Consumer Federation of America
Steve Brobeck

Doctors Ought to Care
Rick Richards, M.D.

Robert Dupont, M.D. (former director of National Institute on Drug Abuse)
** American Council on Marijuana and Other Psychoactive Drugs

Mary T. Goodwin
** Montgomery County Nutrition Services

Hope House (Boston)
Jack Donahue

Media Access Project
Andy Schwartzman

James Mosher, Alcohol Research Group
** The Institute of Medical Sciences

National Citizens Committee for Broadcasting
Sam Simon

National Consumers League
Sandra Willett

National Women's Health Network
Belita Cowan

Remove Intoxicated Drivers
Doris Aiken

Students Against Drunk Driving (Fairfax County)
Kim Richey

Women Against Pornography
Dolores Alexander

Women for Sobriety
Jean Kirkpatrick, Ph.D.

* address responses to Michael Jacobson, Ph.D., Executive Director, Center for Science in the Public Interest, 1755 S Street, N.W., Washington, D.C. 20009, (202) 332-9110.

** for identification purposes only.

Additional Endorsements since letter was sent 3/31/83

Mothers Against Drunk Drivers
Candy Lightner

National Coalition on TV Violence
Thomas Radecki, M.D.

ESTIMATED ALCOHOL-RELATED PROBLEMS AND COSTS*

PROBLEM		
Auto accident fatalities	50	25,000 deaths/yr
Suicides	up to 80	21,600 deaths/yr
Family abuse		
child abuse	up to 38	
spouse abuse	up to 60	
Accidents, non-auto		25,000+ deaths/yr
industrial fatalities	up to 40	
drownings	up to 68	
falls (fatal)	up to 70	
aviation fatalities	up to 40	
fires		
fatalities	50+	
burns	50+	107,000/yr
Violent crime		
robbery	up to 72	
rape	50	
assaults	up to 70	
homicides	66+	
Medical/psychosocial		
cirrhosis	up to 90	11,000+ deaths/yr
pancreatitis	75+	
malnutrition		
cancers of mouth, esophagus, larynx, liver and other organs	3	12,000 deaths/yr
birth anomalies (incl. FAS)	5	1,650/yr
alcohol dependence	100	5,000 deaths/yr
alcohol psychoses (DT's, etc.)	100	100,000 hospitalizations/yr
affective disorders (depressive or manic-depressive psychoses)		35,000 hospitalizations/yr

TOTAL DEATHS: 100,000-200,000 per year

TOTAL COSTS: $116.7 billion per year**

THE ECONOMIC COSTS OF ALCOHOLISM AND ALCOHOL ABUSE ARE TOPPED ONLY BY THE COSTS OF HEART AND VASCULAR DISEASES.

---

* These figures were derived from reports of the National Institute on Alcohol Abuse and Alcoholism

** Research Triangle Institute

Updated Costs to Society of Alcohol Abuse, Drug Abuse, and Mental Illness, 1983
(dollars in millions)

	Alcohol Abuse	Drug Abuse	Mental Illness	Total
Core Costs				
Direct				
Treatment and Support	$ 14,865	$ 2,049	$33,445	$50,359
Indirect				
Mortality[a]	18,151	2,486	9,036	29,[illegible]
Reduced Productivity	65,582	33,346	4,048	102,976
Lost Employment	5,323	405	24,044	29,772
Other Related Costs				
Direct				
Motor Vehicle Crashes	2,667	[c]	-	2,667
Crime	2,607	6,565	966	10,139
Social Welfare Programs	49	3	259	311
Other	3,673	677	831	5,181
Indirect				
Victims of Crime	192	945	-	1,137
Crime Careers	0	10,846	-	10,846
Incarceration	2,979	2,425	146	5,549
Motor Vehicle Crash (time loss)	583	[c]	-	583
Total	$116,674[b]	$59,747[b]	$72,775[b]	$249,196

Totals may not add due to rounding.

[a] At 6 percent discount rate.

[b] The total costs to society for each of the three ADM disorders are not comparable, since the completeness of data available for each cost category varied significantly. For example, the estimate of reduced productivity is relatively complete for alcohol abuse, only partially complete for drug abuse, and incomplete for mental illness.

[c] Although costs are hypothesized to occur in this category, sufficient data are not available to develop a reliable estimate.

Source: Research Triangle Institute.

The Alcoholism Report, 7/31/84

Costs to Society of Alcohol Abuse, Drug Abuse
and Mental Illness, 1980
($ in millions)

	Alcohol Abuse	Drug Abuse	Mental Illness	Total
Core Costs	$79,607	$29,451	$52,418	$161,476
Direct				
Treatment	9,487	1,200	20,961	31,647
Support	984	243	2,597	3,823
Indirect				
Mortality[a]	14,456	1,980	7,196	23,632
Morbidity[b]	54,680	26,028	21,664	102,372
Reduced productivity	(50,575)[c]	(25,716)[c]	(3,122)[c]	(79,413)
Lost employment	(4,105)	(312)	(18,542)	(22,959)
Other Related Costs	9,919	17,485	1,818	29,222
Direct				
Motor vehicle crashes (property loss)	2,185	d	-	2,185
Crime[b]	2,347	5,910	870	9,127
Public	(2,062)	(4,454)	(635)	(7,151)
Private	(261)	(1,345)	(235)	(1,841)
Property loss/damage	(24)	(111)	(-)	(135)
Social welfare program	38	2	201	241
Other	2,912	537	659	4,108
Indirect				
Victims of Crime	172	845	-	1,017
Crime careers	-	8,725	-	8,725
Incarceratinn	1,801	1,466	88	3,356
Motor vehicle crashes (time loss)	464	d	-	464
Total	$89,526[c]	$46,936[c]	$54,236[c]	$190,698

Totals may not add due to rounding.

[a] At 6 percent discount rate. As suggested by the PHS Guidelines document, the present value of lost future productivity due to premature mortality was also calculated using discount rates of 10 and 4 percent. The use of a 10 percent rate decreases indirect costs by the following amounts: alcohol abuse--$4,881 million; drug abuse--$704 million; and mental illness--$2,444 million. The use of a 4 percent rate increases indirect costs by the following amounts: alcohol abuse--$4,455 million; drug abuse--$638 million; and mental illness--$2,177 million.

[b] Components are indicated in parentheses.

[c] The total costs to society for each of the three ADM disorders are not comparable, since the completeness of data available for each cost category varied significantly. For example, the estimate of reduced productivity is relatively complete for alcohol abuse, only partially complete for drug abuse, and incomplete for mental illness.

[d] Although costs are hypothesized to occur in this category, sufficient data are not available to develop a reliable estimate.

Source: Research Triangle Institute.

2870 Pacific Avenue
San Francisco, CA 94115
February 2, 1985

Hon. Paula Hawkins
Subcommittee on Alcoholism and Drug Abuse
United States Senate
Washington, D.C.

Dear Senator Hawkins,

Several weeks ago, Project SMART asked me to think about the constitutionality of Congressional restrictions on the broadcasting of commercials for beer and wine. I considered the subject, consulted with colleagues, and concluded that the Supreme Court woud be likely to sustain legislation developed from an appropriate record.

When I told Project SMART my conclusions, I agreed to share my thoughts with journalists and others who might have questions. Project SMART has now asked me to share my thoughts with your subcommittee. I am, of course, speaking solely for myself; I have no formal connection with or financial arrangement with Project SMART or any other organization in connection with this subject.

I have concluded that if the Congress, persuaded by a perceived correlation between commercials for alcoholic beverages and the existence of alcohol abuse, were to pass properly drafted legislation banning the broadcasting of such commercials, it is unlikely that the Supreme Court would hold that such legislation violated the First Amendment.

Such a statute would come to the Court with a record demonstrating Congressional acceptance of data tying this advertising to such acknowledged social problems as drunk driving, other kinds of accidents, and family abuse, not to mention the ways in which alcohol abuse affects the drinker personally.

Although the Supreme Court has recently extended some of the protections of the First Amendment to so-called commercial speech, it has not yet considered any case in which public safety concerns are offered as primary justifications for the limits on what would otherwise be protected speech. Such a case would be a far cry from earlier controversies such as Virginia Pharmacy, (425 U.S. 748 (1976)), in which government sought to prevent pharmacists from advertising the prices of their prescription drugs, or Central Hudson, (447 U.S. 557 (1980)), in which government sought to bar promotional advertising by electric utilities.

If the Court were to approach the question of constitutionality by applying the four-part test of Central Hudson, the powerful governmental interest in public safety would go a long way to leading the Court to find that the requisite elements were met. The Court has never applied its commercial speech approach to a case in which physical safety of others was a serious concern, much less one with thousands of documented deaths and injuries suffered by strangers and family members at the hands of those who abuse alcohol. This situation does not remotely resemble cases in which the government seeks to reduce the consumption of energy, or to prevent consumers from making some self-affecting decision that a paternalistic government thinks might be short-sighted.

To the extent that the First Amendment in commercial speech cases is seen as protecting the flow of market information to potential customers for a product, this rationale does not comfortably fit beer and wine commercials. First, they convey very little market information to the audience (and some assert that what they do convey is misleading). Second, more than self-interested market decisions are involved when the purchase and consumption of the advertised product can so profoundly affect the very lives of others in the community.

Because alcohol is the product being regulated, the Court may well decide to use a special standard that would permit government regulation even more readily than the Central Hudson approach would permit. No consumer product has had the special history in our country that alcoholic beverages have had. It has been the focus of deeply emotional debates from moral, religious, social, and safety perspectives, among others. What other commercial product has provoked such a spate of federal, state, and local regulation, or two constitutional amendments because of its extraordinary impact on the social fabric of the country?

The Supreme Court is unlikely to blind itself to this unique history when it confronts Congressional attempts to regulate various activities connected with the consumption of alcoholic beverages. In the commercial speech area, and in First Amendment cases generally, the Court has been quite fact-specific. (Indeed, the Supreme Court may be in the process of developing a special approach to alcohol regulation in such cases as California v. LaRue, 409 U.S. 109 (1972), and New York State Liquor Authority v. Bellanca, 452 U.S. 714 (1981). Although these cases address state regulations and the repeal amendment, they demonstrate judicial sympathy with efforts to control perceived evils flowing from the marketing of alcoholic beverages.)

Finally, there is the Court's special treatment of broadcasting. The Court has permitted content regulation in broadcasting that it would not permit in other contexts. See, e.g., the concurring opinion of Justice Powell in FCC v. Pacifica Foundation, 438 U.S. 726 (1978), observing that during most of the day, broadcasters cannot reach adults without reaching children. "This, as the Court emphasizes, is one of the distinctions between the broadcast and other media to which we often have adverted as justifying a different treatment of the broadcast media for First Amendment purposes."

Those who deny the constitutionality of prohibiting the broadcasting of liquor advertising appear to anticipate that the Supreme Court will adopt a doctrinaire approach to a very new area of law that it has been developing case by case in contexts totally unlike the one facing your subcommittee. But the Court has been sensitive to subtle fact differences in the commercial speech cases, and to perceived differences between broadcasting and other media. This sensitivity indicates that the Court will approach any legislation in this area with great respect for the Congressional concern and for the way Congress has chosen to attack the problem.

It is hard to imagine what Justice, let alone what five Justices, would vote to invalidate a properly drafted Congressional statute enacted to reduce the annual toll of documented harms attributable to a perceived relationship between alcohol advertising and alcohol abuse.

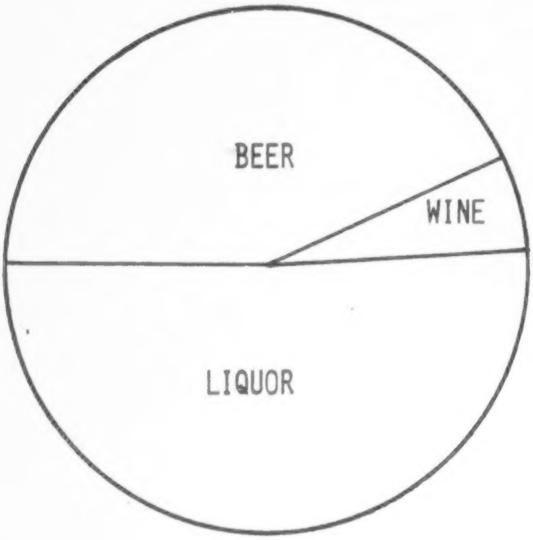
Sincerely yours,

Marc A. Franklin

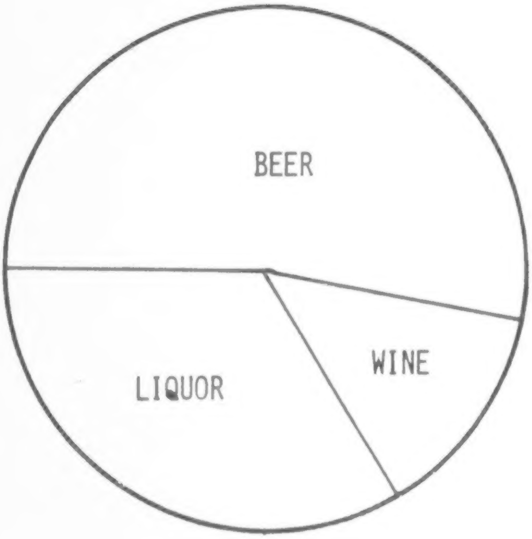
Marc A. Franklin
Frederick I. Richman Professor of Law
Stanford Law School
Stanford, CA 94305

U.S. RETAIL EXPENDITURES

1968



1983



SOURCE: Annual Statistical Review, DISCUS, 1983

CSPI CENTER
FOR SCIENCE
IN THE
PUBLIC INTEREST

February 15, 1985

Senator Paula Hawkins
Chair, Subcommittee on Alcoholism
and Drug Abuse
639 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Hawkins:

Thank you once again for the opportunity to testify before the Subcommittee last week, and for your vision and courage in opening the inquiry into the important subject of alcohol advertising.

During last week's hearings on alcohol advertising, the United States Brewers' Association presented a chart that purportedly demonstrated the ineffectiveness of massive advertising expenditures in stimulating beer consumption.

I would like to draw your attention to two features of that chart:

1. The referenced chart uses data on beer consumption by those 21 and over, and ignores the significant percentage of beer consumption by those under the age of 21. In fact, much of the college market -- perhaps the heaviest beer drinking population -- is not reflected in the data.

2. The "advertising expenditures line" is unadjusted for inflation, and represents vastly exaggerated actual advertising investment.

Overall, as television advertising for beer increased 490% between 1970 and 1983 (compared to an increase of 157% in the consumer price index), per capita consumption of beer rose about 31 percent. Naturally, there may have been other influences driving increases in beer drinking, but massive broadcast advertising reinforced such trends.

Please incorporate this letter into the record of last week's hearing.

Sincerely,

Michael Jacobson

Michael F. Jacobson, Ph.D.
Executive Director

Senator **Hawkins**. Thank you, Mr. Jacobson.

Mr. Simon.

Mr. **Simon**. Thank you very much, Madam Chairman, and I also thank my fellow panelists for allowing me to precede them. The Federal Communications Commission is holding—as you heard from the last panel—2 days of hearings to consider whether they should repeal the rules that would enable response time to controversial issues of public importance, and there is testimony scheduled there for 2 o'clock.

I am Sam Simon and I am president of the Telecommunications Research and Action Center, which is the Nation's oldest and largest telecommunications consumer group, with 12,000 members. TRAC, which was formerly the National Citizens Committee for Broadcasting, is an endorser and supporter of Project SMART, and we are pleased to be here today at your invitation.

In the few minutes that I do have, I intend to focus my comments on the responsibility of over-the-air broadcasters to the public, and the relationship of that responsibility to advertising standards and practices.

In particular, I want to bring to the subcommittee's attention the apparent absence of adequate regulatory mechanisms to deal with the questions raised in the advertising of beer and wine.

Broadcasters, unlike newspaper publishers, are provided with an exclusive licence by the Federal Government to use a scarce public resource. Because of that license and the inherent conflict between a license and the first amendment, broadcasters are required to operate their stations as trustees for the public's interest.

At this point, I would like to, as an aside, note that the witness from the Freedom of Expression Foundation raised several issues, but most importantly let me say that in response to that, yesterday there was announced something called the Campaign For Free Speech, which is dedicated to promoting and continuing public trustee obligations and the fairness doctrine.

On the leadership committee of that campaign is Congressman John Dingell; Mary Futrell, president of NEA; Erwin Griswold, the former dean of Harvard Law School and former solicitor general; Norman Lear; Mario Obledo, who is head of LULAC; Esther Peterson; and Dorothy Riddings, president of the League of Women Voters, who all stand for the continued constitutionality and implementation of a robust fairness doctrine, providing for contrasting points of view.

In addition, Madam Chairman, if I might, we have submitted extensive comments on the issues associated with the constitutionality of response time in the FCC proceeding, and I would be glad to provide this committee with copies of those comments for the record.

Broadcasters are not free to exploit their privileged position solely for the purpose of private gain or to further only private interests. This point is important as a means of establishing the legitimacy of the issues raised by Project SMART.

Is it in the public's interest to continue the practice of advertising of beer and wine products on television? This question is a legitimate inquiry into the appropriate use of public airwaves by a public licensee.

Indeed, in many ways the issues raised and the work of Project SMART serve as a model in democratic action to affect the information environment created through television in America, particularly commercial network television.

Project SMART has helped hundreds of thousands of Americans to organize themselves to express a legitimate concern on the impact of beer and wine commercials on the public. And, in particular, they have powerful support and evidence adequate to warrant Congress or the FCC to consider an outright ban on such advertising or, in the alternative, free response time to such advertising.

The analogy is to a group of citizens in the community who band together to protest the release into the air of a potentially hazardous substance. At one level, it is enough for the community to say we just do not want our environment to have this risk present.

Project SMART is the voice of many Americans saying we do not want the public airwaves to be used to contribute to the risk of alcoholic beverage consumption and abuse in our communities.

In this regard, it should be enough to warrant remedial action that the goal is to minimize the risk of harm posed by such advertising, not as was suggested by the prior panel that it is up to Project SMART to prove beyond a reasonable doubt that such advertising is specifically harmful.

It is also important to point out that the marketplace does not provide the consumer, the listener and viewer an adequate mechanism to eliminate beer and wine commercials. Unlike other markets, the television industry does not respond to direct consumer expenditures.

Indeed, the consumer in the television business is the advertiser. The seller is the broadcaster, and the product is the audience. Thus, members of the viewing audience are virtually impotent in exercising purchasing power to express their will with respect to an advertisement.

Their only option is, and this case has, in fact, been, to organize collectively to seek congressional or regulatory relief.

Television, of course, is the most powerful educational and, most importantly, enculturating medium in the United States. It is silly to suggest, as was done in the last panel, that advertising of products, including beer and wine, is limited in impact to brand competition, or that its causal impact on drinking or purchasing of products is de minimis.

Your record should reflect the results from the recent study by the American Academy of Pediatrics. According to their recent study, children in the United States between the ages of 2 and 12 watch about 25 hours of television per week.

Further, the study contained conclusions on several issues of interest to this subcommittee, including that television can encourage the use of drugs, alcohol and tobacco by conveying unrealistic messages sometimes glamorizing or showing excessive use of them.

In conclusion, I want to remind the subcommittee of the Nation's experience with cigarette advertising on television, which has since been taken off the air. Initially, the broadcasting industry had been required to run responsive ads based on the fairness doctrine.

Subsequently, the FCC has issued decisions that make it highly unlikely that any product advertisement will, without congressional encouragement or action, be considered for response time.

But beyond that fact, today and tomorrow the Federal Communications Commission, as I said at the beginning of my statement, is holding public hearings on proposals it has made to eliminate the fairness doctrine entirely.

Indeed, if the FCC succeeds in what it proposes, the entire concept of response time will disappear. Moreover, we heard this morning that the broadcasters take great pride in their major public education campaign through their public service announcements, and indeed one has to compliment them on what they have done this past year.

But it would be useful for this committee, I believe, to review their record for the year or two before Project SMART and MADD were around, to see what would be a real indication, I believe, of what their record is likely to be 1 year after Project SMART, should they not be successful.

But perhaps more important than that is that these same broadcasters who are before your committee this morning touting their PSA's and their public responsibilities are also before other congressional committees asking for major changes in the way they are regulated so that they would have absolutely no regulatory or other responsibility to air PSA's, or public affairs programs.

And, indeed, it seems to me evident that the impetus for this campaign has been the threat that—in fact, I do not even say it is apparent; it is well known in the industry and in the trade; it has been published. They are doing this because of a fear that Project SMART would be successful; that is, without those regulatory tools, I wonder whether or not this issue would have been identified and we would have seen the public education campaign that we now have.

Thus, it is more important than ever that Congress take affirmative action now by applying appropriate limitations on beer and wine advertising on television and radio.

I thank you very much.

Senator Hawkins. Thank you.

Peggy Sapp.

Ms. Sapp. I am Peggy Sapp and I am the executive director of Informed Families of Dade County, and that is better known as Miami. Informed Families works on the demand side of the drug problem and, as you know, in Miami we have a drug problem.

Our mission is to create a drug-free community for our children. Our goal is prevention of drug abuse through education.

Also with me today is an IF board member, Dr. Delores Morgan, a medical doctor who is the head of the addiction treatment center at Mt. Sinai Hospital in Miami Beach. She will be happy to answer any of your medical questions, while I will stick to the parent and child-rearing questions, since I am the mother of two teenagers, the president of a large senior high PTA, and the founder of the Parents Center at Miami-Dade Community College.

Today, what we are asked to discuss are beer and wine glamorized in TV and radio commercials. I find this like asking, how do you like the emperor's new clothes. Finally, we have the opportunity to discuss the obvious. Advertising is designed and exists to sell products. Advertising is a legitimate tool of the free enterprise system and it does a fantastic job of getting all of us to buy products.

I do not think any of us are immune to advertising. Advertisers get us to buy products because they understand our needs—both our real, tangible needs and our psychological, intangible needs.

So, of course, I think we can all agree advertising is effective and it does glamorize products because all of us want glamor. I found those ads very appealing. It might be very nice to be out skiing or at the beach rather than sitting here.

Our society certainly prizes beauty, intelligence, money, fun, happiness, being included, and instant answers. Advertising appeals to all of these subliminal needs. But what happens when we promote a product and later discover that the product has caused a national health crisis?

We are never shown the negative sides of beer and wine. Alcohol-related highway accidents cost us approximately 25,000 lives a year. That is 70 lives a day, 1 every 23 minutes. This is the equivalent of a daily Air Florida-Washington, DC crash occurring every single day. If that happened, I think we would all be very concerned about it.

But let us get away from the drinking and the driving because that is only a part of the big issue, what about the fact that there are 3.3 million teenage alcoholics? Seven thousand teenagers are killed and 130,000 are injured yearly in drunk driving accidents.

The economic loss of these deaths and injuries is estimated to be $25 billion annually. But arrested development among teenagers is the most insidious problem we face and no one has a cure for it. It is impossible to replace lost time in the maturation process.

Therefore, we do not believe in responsible use for children who are under the legal drinking age. All of these problems infringe upon each of our rights. Everything is connected to something else, and let us face it, there is no free lunch.

It is time we all became educated and take a hard look at what we are saying to each other, and especially what we are saying to our young children. Children and teenagers make up a large portion of the television and radio audience. In fact, by the time a child reaches 18, he has spent 18,000 hours watching TV, 12,000 hours in school, and 3,200 hours in direct contact with his parents.

Contrast family life today to 50 years ago. There used to be an extended family. People were not so busy. Children had direct communication with their parents about 4 hours every day. Today, the average direct communication between parent and child is 12½ minutes each day. Out of that, 10 minutes are spent asking, did you brush your teeth, did you feed the dog, did you do the homework. That is not communication. We are not communicating with our children or, worse, we are communicating mixed messages.

Parents tell me it is extremely difficult to tell children not to use alcohol and drugs when the media bombards them with beer and wine ads. There are so many alcohol ads, it is no longer a question of free speech.

Peer pressure—none of us is immune from peer pressure. Ads promote peer pressure. Parents become unsure and intimidated because of their lack of knowledge about alcohol. Alcohol is a drug. Alcohol is frequently a gateway to other drugs.

Children say, if you can drink, then why can't I use drugs? It is the same thing. Who has the positive answer for that one?

Radio and television play a huge role in the development of our children and their values. With more working parents and less time to spend with children, it is critical that we learn to work together to deliver realistic, consistent messages about the use of alcohol in our lives. Parents need help.

I do not believe advertisers are wantonly out to create a health hazard, but the sin of omission can wreak havoc on many lives.

It is time that we all learned to change our own attitudes, and that requires four steps: awareness, understanding, acceptance, and action. When we talk about the alcohol and drug problem in this country, we all say, well, it is not my problem, or it is a very complicated social problem.

But it is time we all dealt with our share of it and come to realize that it is not my kid is not good enough. Denial is our biggest enemy. In fact, it is each person's problem—parents, advertisers, Congressmen, everyone. We must become educated and change our attitudes, create action, and provide alternatives. We need to warn people that alcoholism is a pervasive problem.

We refuse to advertise hard liquor on TV and radio. Yet, we advertise wine and beer. One ounce of liquor, one 5-ounce glass of wine, and one 12-ounce can of beer all contain essentially the same amount of alcohol. The public needs to know that.

The impression we give is that wine and beer are less harmful. Wine and beer contain ethyl alcohol, a drug as deadly as valium. Inconsistent messages and half-truths are killing us and misleading us.

Last week, I spoke with some pediatricians and heard a presentation on fetal alcohol syndrome. I learned that two drinks per day may have a harmful effect on the fetus. That kind of information must get out to the public. It is everyone's responsibility, especially the distiller, the distributors, the advertisers, to inform the public of possible health hazards.

What is the answer? There may be several solutions. No. 1, ban the advertising of alcohol. No. 2, modify the message; for example, run a caption on each commercial that states, "The consumption of alcohol may be harmful to your health."

No. 3, run the same number of health messages as we run alcohol commercials; let the distillers, distributors, and all involved in the product spend equal money to help educate the public about the health consequences.

It is time that we joined together to provide realistic messages and change our attitudes. Let us not count the cost in dollars and cents, but in saving lives and helping people develop their full potential. Let us decide to create a drug-free environment for our children.

The most mind-altering drug of all is truth. It is the unanimous opinion of the Informed Families board of directors that the recommendation of banning beer and wine on TV and radio be strongly emphasized.

Thank you.

Senator HAWKINS. Thank you, Peggy.

Next, Ms. Baker, who is president of the National Council on Alcholism. Welcome.

Ms. BAKER. Thank you very much. I would like to, before I read from my prepared statement, just make a couple of personal observations, since I have been hearing all of the testimony this morning.

I agree with Mr. Simon, who has left. I wonder if any of this would have come about, this concerted action that is going on among the broadcasters and the alcoholic beverage industry, had we not been out there leaning on them.

I was reminded of the story where they took the 4 by 4 plank to hit the mule in the head to get his attention, and I think maybe this is what we are doing.

I also would like to commend the panel that appeared before us. I think they are trying, and how wonderful in this country that we can sit down here together and hopefully—it has not been done, but maybe something very good will come out of these hearings, and I commend you, Madam Chairman, for holding them.

Senator HAWKINS. Thank you.

Ms. BAKER. All right, I will start again, then.

Madam Chairman and members of the subcommittee, on behalf of the National Council on Alcoholism, I would like to thank you for offering us this opportunity to testify on the important issue of alcohol advertising.

My name is Martha Baker and I am president of NCA, which is the oldest and largest voluntary advocacy organization in the field of alcoholism. I am also a resident of Florida. Chairman Miller has left, I think, but he spoke about the few bad apples. I am one of the rotten apples out of that bunch.

My 13-year involvement as a volunteer in the alcoholism field came about through my illness of alcoholism and my subsequent recovery. The physical, mental, and emotional pain that I and my family suffered during my active alcoholism can never be measured.

In recent years, studies show that my four adult children could be at high risk for alcoholism. I have two darling little granddaughters whose lives could also be impacted. It is for these very reasons that I am here today.

Advertising which promotes and glamorizes the use of beverage alcohol continues to be a dominant presence on the airwaves. In 1984, nearly $750 million was spent by beer and wine companies to depict beverage alcohol as the ultimate reward for a football game well played or a job well done, to associate the consumption of beer and wine with financial success and romance, and in some cases to explicitly encourage heavy drinking.

Creativity, big money, and more than a little finesse, coupled with the portrayal of retired athletes, celebrities, rock stars, and just plain beautiful people all serve to formulate a message that alcohol is a necessary ingredient to enjoyment of a sports event, ski trip, or a night on the town.

The aggressive marketing and promotion of alcoholic beverages on radio and television serve to undermine the efforts of the Federal Government, NCA and its affiliates, and numerous other groups to educate the public about the enormous problems associated with the use of alcohol and to work effectively for their resolution.

We are particularly concerned about the impact of such advertising on vulnerable populations, including young people generally, children of alcoholics, specifically, and heavy drinkers.

Because beer is the overwhelming beverage of choice for young people, the beer industry aggressively targets the youth market through TV and radio ads, with explicit youth appeal, and later with college promotional campaigns, including paid student representatives, all you can drink chug-a-lugs, and the like.

In the case of the estimated 28 million children of alcoholics who may be marked with a genetic predisposition to alcoholism, the glamorization of alcohol consumption on radio and TV thwarts our efforts to educate these children about their vulnerability to this devastating and potentially fatal disease.

A 1984 survey of New York high school students found that 11 percent of those surveyed thought that they were hooked on alcohol, with the NIDA 1984 high school seniors survey reinforcing that alarming data by showing 40 percent of high school seniors drinking five or more drinks on one occasion in the previous 2 weeks.

The NIAAA Fifth Special Report on Alcohol and Health estimates that 10 percent of the consumers of alcoholic beverages drink 50 percent of the alcohol consumed. Is it any wonder that a key target audience of alcohol advertising is heavy drinkers, a substantial part of the market and profit margin for the industry?

The overall cost of alcoholism and alcohol abuse in the Nation now stand at a staggering $120 billion a year, and a 1982 Gallup Survey reported 81 percent of Americans believe alcohol abuse is a major national problem.

Yet, the ubiquitous radio and TV alcohol ads appear to reflect a multi-million-dollar denial of these realities, not unlike the denial of the active alcoholic.

The privilege of business and industry to advertise and sell their products must be weighed and balanced against the right of the public to be adequately informed about the numerous health hazards associated with alcohol consumption.

NCA joined a petition to the Federal Trade Commission requesting a comprehensive probe of the alcohol industry's advertising and marketing practices, and recommending restrictions on advertising directed toward youth and heavy drinkers. A year has come and gone, with no response from FTC.

NCA has therefore joined with the broad-based coalition represented by project SMART in a petition drive to ban beer and wine commercials from the airwaves or, alternately, to require equal time for health messages about the adverse effects of alcohol.

We would welcome a move on the part of the beer and wine industry to follow the lead of the distillers and to voluntarily withdraw from TV and radio advertising. The exclusion of advertising for distilled spirits while beer and wine ads continue only serves to strengthen the myth that beer and wine are somehow more moderate alcoholic beverages.

But NCA's initial position calling for voluntary curbs has been met with increased advertising by the brewers and vintners. Nothing short of broad based and concerted public pressure through legislative and regulatory action, with the aim of assuring equal time for the public health, will do.

Thank you very much, Madam Chairman.

[The prepared statement of Ms. Baker follows:]

National
Council
on
Alcoholism inc. **Public Policy Office**

1511 K STREET N.W. • SUITE 320 • WASHINGTON D.C. 20005 • (202) 737-8122

WHEELOCK WHITNEY
Chairman
MARTHA B. BAKER
President
EUGENE D. McWILLIAMS
Vice Chairman
R. BRINKLEY SMITHERS
Honorary President
HON. LEONARD K. FIRESTONE
HON. HAROLD HOOD
JAMES E. KELSEY M.D.
PETER J. McMANUS
BARBARA L. STARR
Vice Presidents
SUSIE P. TIMKEN
Secretary
J. FORD BRENT
Treasurer

BOARD OF DIRECTORS
JOHN R. DOYLE
Immediate Past Chairman
FRANK C. BROOKS
Immediate Past President
GORDON MacRAE
National Honorary Chairman

DONALD G. AUSTIN
ANDREW H. BARR
DAN E. BEAUCHAMP Ph.D.
JESS A. BELL
CHARLES E. BLACKFORD III
SHELIA B. BLUME M.D.
MARY L. BOEGER
WILLIAM F. BOLGER
DAVID SHEPARD BURR
ASA S. BUSHNELL
THOMAS P. CARPENTER*
JOHN S. CASTELLANO
JASPER G. CHEN SEE M.D.
LUTHER A. CLOUD M.D.
LETA CROMWELL
GENE EDWARDS
LAWRENCE E. ETHRIDGE JR.
MARVIN R. HANEY
LOUISE G. HARPER
THEODORE J. INNES JR.
JAMES S. KEMPER JR.
MARTHA M. KNIGHT
DANIEL LANIER JR. D.S.W.
JOHN J. MacDONALD
MONA MANSELL
G.W. "HANK" McCULLOUGH
T. ROTHROCK MILLER M.D.
HON. WILBUR D. MILLS
CLEMENT A. O'BRIEN
NICHOLAS A. PACE M.D.
JOHN P. PITCAIRN
JOHN G. ROCHE
JAMES E. ROYCE S.J. Ph.D.
RUTH SANCHEZ DIRKS Ph.D.
MAX A. SCHNEIDER M.D.
R. KEITH SIMPSON D.O. D.P.H.
FRANCIS C. SMITHERS
ROBERT D. SPARKS M.D.
GORDON L. STEINHAUER
ELISE D. WILLSON
RT. REV. ROBERT C. WITCHER

WALTER J. MURPHY
Executive Director

*Emeritus

STATEMENT OF

MARTHA BAKER
PRESIDENT
NATIONAL COUNCIL ON ALCOHOLISM

Presented to the

Subcommittee on Alcoholism and Drug Abuse
Committee on Labor and Human Resources
U.S. Senate

on Advertising Promoting the Use of Alcohol

February 7, 1985

Madame Chairman and members of the Subcommittee. On behalf of the Board of Directors, staff and some 200 affiliates of the National Council on Alcoholism, I would like to thank you for offering us this opportunity to testify before the Subcommittee on the important issue of alcohol advertising. My name is Martha Baker and I am president of NCA, which is the oldest and largest voluntary advocacy organization in the field of alcoholism.

For forty years, the National Council on Alcoholism has acted as an advocate for the suffering alcoholic and his or her family; striving to reduce the stigma associated with alcoholism by educating the public about alcoholism as a treatable disease; providing counseling and referral services to alcoholics and families in need of treatment; and working in conjunction with legislators at all levels of government in the formulation of public policy which is conducive to the alleviation of alcoholism and alcohol-related problems in the nation. In this regard, the Board of Directors adopted a Prevention Position Statement in June of 1982 which called for the establishment of a national minimum drinking age of 21, ingredient and warning labels on alcoholic beverages, substantial increases in alcohol excise taxes and restrictions on alcohol advertising. In our view the adoption of these public policy measures, one of which was signed into law last year, would contribute substantially to the public health and would serve to create an environment more conducive to the prevention of alcoholism and alcohol-related problems.

Despite increasing concern and public awareness regarding the extent to which alcoholism and alcohol-related problems undermine families, communities and the health and productivity of the nation at large, advertising which promotes and glamorizes the use of beverage alcohol continues to be a dominant presence on the public airwaves. In 1984, nearly 750 million dollars was spent by beer and wine companies to depict beverage alcohol as the ultimate reward for a football game well played or a job well done; to associate the consumption of beer and wine with financial success and romance; and in some cases, to explicitly encourage heavy drinking. Creativity, big money and more than a little finesse coupled with the portrayal of retired athletes, celebrities, rock stars and just plain beautiful people all serve to formulate a message that alcohol is a necessary ingredient to enjoy a sports event, ski trip or a night on the town. Indeed, a day without alcohol is hardly worth the effort, we are lured into believing.

In our view, the aggressive marketing and promotion of alcoholic beverages, particularly on radio and television serve to undermine the efforts of the federal government, the National Council on Alcoholism and its affiliates and numerous other organizations to educate the public about the enormous problems associated with the use of alcohol and to work effectively for their resolution. We are particularly concerned about the impact of such advertising on vulnerable populations including young people generally -- children of alcoholics, specifically, and heavy drinkers. Members of these populations are at high risk for alcohol-related problems, including alcoholism. But for the alcohol beverage industry, they represent key consumer markets. Because beer is the overwhelming beverage of choice for young people, the beer industry aggressively targets the youth market — through TV and radio ads with explicit youth appeal and later, with virulent college promotional campaigns including paid student campus representatives, all-you-can-drink chug-alugs and the like. In the case of the estimated 28 million children of alcoholics who may already be marked with a genetic predisposition to alcoholism, the glamorization of alcohol consumption on radio and television thwarts our efforts to educate these children about their vulnerability to this devastating and potentially fatal disease. The Fifth Special Report on Alcohol and Health, recently published by the National Institute on Alcohol Abuse and Alcoholism (NIAAA), estimates that 10% of the consumers of alcoholic beverages drink 50% of the alcohol consumed, and other estimates run even higher. Is it any wonder then that a key target audience for alcoholic beverage advertisers is heavy drinkers, a substantial part of the market and profit margin for the industry?

While NCA respects the right of business and industry to advertise and sell their products, we also believe that such privileges must be weighed against the right of the public to be adequately informed about the numerous health hazards associated with alcohol consumption and its devastating impact on the social and economic well-being of millions of Americans. From this perspective, the National Council on Alcoholism joined a petition to the Federal Trade Commission requesting a comprehensive probe of the alcohol beverage industry's advertising and marketing practices and recommending restrictions on advertising directed toward youth and heavy drinkers. A year has come and gone with no response from FTC. Feeling frustrated by our attempts to address our concerns to the federal agency with regulatory jurisdiction in this area, NCA joined with the broad-based coalition represented by Project SMART - (Stop Marketing Alcohol on Radio and TV) to take our case to the American people.

From all appearances, the American people share our concerns. Project SMART, with more than 600,000 signatures to date, is well on its way to meeting its goal of one million signatures in its petition drive. Is it any wonder that Americans are offended by the inundation of ads which promote drinking in the face of the nation's alcohol problems which are all too vivid and painful to discount. A late 1982 Gallup survey found that 81% of Americans believe that alcohol abuse is a major national problem and that one in three reported that drinking has been a cause of trouble in his or her family. NIAAA estimates 10 million adult problem drinkers, including alcoholics in the nation -- 85% of whom remain untreated for their illness, and 3.3 million teenage problem drinkers. A 1984 survey of high school and junior high students in New York State conducted by the New York State Division of Alcoholism and Alcohol Abuse found that 11% of the students had thought they were "hooked" on alcohol, and some said they had even been drunk in class. The recently released 1984 NIDA High School Senior Survey shows 40% of those seniors responding indicating having 5 or more drinks on one occasion in the last two weeks and only 50% of all students surveyed disapproving of that behavior. The survey also underscores beer as the beverage of choice for this age group, with beer also cited as the prevalent alcoholic beverage for binge and daily drinking among high school students. Despite the courageous efforts of private citizens and government alike, drinking and driving continues to claim the lives of some 25,000 Americans each year, with a disproportionate number of youthful fatalities. The overall cost of alcoholism and alcohol abuse to the nation stands at an awesome $120 billion a year.

Yet, the ubiquitous radio and TV alcohol ads and much of the television programming depicting the use of alcohol, appear to reflect a multi-million dollar denial of these realities, not unlike the denial of the active alcoholic who refuses to come to terms with his or her disease. Public service announcements and entertainment programming which depict adverse consequences associated with drinking are rare and frequently relegated to viewing hours when most Americans are asleep. In fairness, I must express our support for this holiday season's unprecedented barrage of anti-drunk driving PSA's. Such an effort on the part of broadcasters and networks is long overdue, must be expanded to cover the gamut of alcohol-related problems and should play a major role on television and radio every day of the year. Moreover, the holiday PSA blitz illustrates the ability of the mass media to effectively respond to the concerns of millions of Americans about hazards associated with alcohol consumption. Hence, the Project SMART petition's alternative of a equal time provision for ads depicting the social problems and health hazards associated with alcohol use and abuse as a vehicle to mediate and complement the alcohol promotional messages.

Representatives of the alcohol beverage industry have denied claims that the aim of their ads is to increase consumption, asserting that the establishment of brand preferences is their primary goal. Common sense might cause us all to question why some 5,000 TV beer and wine ads annually at enormous cost are solely about the business of choosing between Miller and Coors. Moreover, a 1980 Michigan State University study on the impact of alcohol advertising, funded by the federal government -- one of the only truly independent studies of its kind -- suggests that the effects of advertising, particularly among young people, are far-reaching. Among other important findings, Atkins and Block found that young people with a high exposure to ads were substantially more likely to be drinkers than those not exposed and that very young adolescent non-drinkers were much more likely to favorably anticipate the prospect of becoming drinkers than those not exposed. (I have attached the executive summary of this study to my testimony for the Subcommittee's further consideration of its other important findings.)

Project SMART represents nothing more than a genuine attempt to balance the information the public receives about alcohol -- a balance that cannot be achieved without government intervention. We would welcome a move on the part of the beer and wine industries to follow the lead of the distillers and to voluntarily withdraw from television and radio advertising. After all, the exclusion of advertising for distilled spirits while beer and wine ads continue only serves to strengthen the myth that beer and wine are somehow more "moderate" alcoholic beverages. But NCA's initial position on advertising calling for voluntary curbs was met with increased advertising expenditures by the brewers and the vintners. We are now convinced that nothing short of broad-based and concerted public pressure through legislative or regulatory action with the aim of assuring "equal time" for the public health will do.

Thank you for providing this forum for a discussion of this important issue.

Senator HAWKINS. Thank you very much, Martha.

Doctor?

Dr. ATKIN. Thank you. My name is Charles Atkin and I am a professor at Michigan State University. As a mass media researcher, I have devoted my career to the scientific analysis of media effects on audiences, particularly the impact of television on young people.

In the past decade, I have developed a special expertise on the subject of alcohol advertising and have conducted a major exploratory investigation of advertising content and effects, sponsored by several Federal agencies.

I have also recently reviewed available studies published by other researchers in this country and abroad, and I have a long summary here which I can enter into the record.

Senator HAWKINS. Thank you.

Dr. ATKIN. As with all social science research on media effects, there are methodological limitations associated with each of the techniques that have been used to study this question of advertising effects, and additional research is necessary to more definitively measure the magnitude of impact.

Nevertheless, the existing body of research is sufficient to establish that there is a connection between advertising and drinking. Based upon my assessment of the scientific literature, I would like to briefly present five key findings to help inform this debate concerning regulation of alcohol advertising.

First, research shows that advertising influences the brand awareness and preferences of current drinkers to a significant degree. This is the market share effect.

Second, several studies indicate that advertising also has a broader impact in significantly increasing the absolute levels of alcohol consumption, regardless of brand.

Third, advertising contributes to the development of positive images of drinkers and favorable attitudes toward drinking as an acceptable, rewarding and attractive practice.

Fourth, advertising influence on excessive, hazardous and problem drinking behaviors appears to occur to a limited extent.

Exposure to advertising is positively associated with drunk driving and, indirectly, I think advertising affects drunk driving by stimulating the amount of drinking, and consequently the amount of consumption that occurs in the context of automobile travel. I do not believe there is a direct effect between advertising and drunk driving, however.

Fifth, regarding teenagers, the research indicates that the typical under-age adolescent is exposed to nearly 1,000 beer, wine and liquor ads each year. The evidence shows that advertising has an important impact on liquor consumption and a modest impact on beer drinking.

Even among the youth who are not yet drinkers, ads seem to increase their intention to drink in the future by creating a positive predisposition toward alcohol.

While a case can be made for a ban on alcohol advertising, less dramatic measures may alleviate some problematic effects. I believe that the most promising approach would combine increased restrictions on advertising content and intensified educational campaigns to discourage misuse of alcohol.

Specifically, I recommend regulation of certain forms of lifestyle portrayals in ads that glamorize the practice of drinking by linking alcohol to social cameraderie, escape, adventure, romance, success, and so on.

These social-psychological appeals promote prodrinking attitudes and greater volume of consumption, but are not really essential to the brand-shifting goals of the advertisers. The market share impact could still be accomplished with other types of more responsible content, content that promotes brand images, not the practice of drinking.

For instance, ads could feature distinctive brand symbols and consumer information about substantive product qualities. This would not have undesirable side effects that the lifestyle advertising does in stimulating youthful drinking, drunk driving, and excessive consumption.

To directly combat these problems, I endorse more extensive dissemination of public service messages and counter-advertising, with many of these slots scheduled for prime time.

Thank you.

[The prepared of Mr. Atkin follows:]

STATEMENT OF CHARLES K. ATKIN, DEPARTMENTS OF COMMUNICATION AND TELECOMMUNICATION, MICHIGAN STATE UNIVERSITY, BEFORE SUBCOMMITTEE ON ALCOHOLISM AND DRUG ABUSE, U.S. SENATE, FEBRUARY 7, 1985

My name is Charles Atkin, and I am a professor at Michigan State University. As a mass media researcher, I have devoted my career to the scientific analysis of media effects on audiences, particularly the impact of television on young people. In the past decade, I've developed a special expertise on the subject of alcohol advertising, and have conducted an exploratory investigation of advertising content and effects, sponsored by the Bureau of Alcohol, Tobacco and Firearms, the Federal Trade Commission, the National Institute on Alcohol Abuse and Alcoholism, and the Department of Transportation (a copy of the summary report on this project has been submitted for the record: Charles Atkin and Martin Block, Content and Effects of Alcohol Advertising, 1981). I have also recently reviewed available studies published by other researchers in this country and abroad (a copy of the paper describing this research has been submitted for the record: Charles Atkin, Alcohol Beverage Advertising: Its Content and Impact, 1985).

As with all social science research on media effects, there are methodological limitations associated with each of the techniques that have been used to study this question (econometric studies and quasi-experiments, experiments, self-reported effects studies, correlational surveys, along with content analyses). Additional research is necessary to more definitively measure the impact of alcohol advertising, and suggestions are offered at the end of this statement. Nevertheless, the existing body of research is sufficient to establish that there is a connection between advertising and drinking. Based on my assessment of the scientific literature, I would like to briefly present five key findings to help inform this debate concerning regulation of alcohol advertising:

1. Research shows that advertising influences the brand awareness and preferences of current drinkers to a significant degree.
2. Several studies indicate that advertising also has a broader impact in significantly increasing the absolute volume of alcohol consumption, regardless of brand.
3. Advertising contributes to the development of positive images of drinkers and favorable attitudes toward drinking as an acceptable, rewarding, and attractive practice.
4. Advertising influence on excessive, hazardous, and problem drinking behaviors appears to occur to a limited degree. Exposure to advertising is positively associated with drunk driving, primarily because it stimulates the amount of drinking (and consequently there is greater consumption in the context of automobile travel) rather than directly encouraging the audience to drive after drinking.
5. Regarding teenagers, the research indicates that the typical underage adolescent is exposed to nearly one thousand beer, wine, and liquor ads each year. The evidence shows that advertising has an important impact on liquor consumption and a modest impact on beer drinking. Even among youth who are not yet drinkers, ads seem to increase the intention to drink in the future by creating a positive predisposition toward alcohol.

While a case can be made for a ban of alcohol advertising, less drastic measures may alleviate some problematic effects. I believe that the most promising approach would combine restrictions on advertising content and intensified educational campaigns to discourage misuse of alcohol.

Specifically, I recommend regulation of certain forms of lifestyle portrayals that glamorize the practice of drinking by linking alcohol to social partying, romance, success, adventure, escape, sophistication, sexuality, masculinity/femininity, social acceptance, hazardous activities, and excessive drinking (especially when portrayed by attractive, youthful, and famous character serving as role models). These social-psychological appeals appear to promote pro-drinking attitudes and greater consumption levels, but are not essential to the brand-shifting goals of advertisers. The market share impact could still be accomplished with other types of content which promotes the brand imagery rather than the generic behavior of drinking. For example, ads could feature distinctive brand symbols and consumer information about substantive product qualities, which would be less likely to have undesirable side effects such as youth drinking, drunk driving, and excessive consumption. These problems can be directly addressed via more extensive dissemination of public service messages and counter advertising, especially if accorded prominent placement such as prime-time scheduling.

These recommendations apply to both the broadcast and print media. The problematic effects of alcohol advertising are not confined to television; indeed, the research shows that ads for distilled spirits in magazines have a relatively stronger effect on consumption, particularly among teenagers. In disseminating informational messages about alcohol to the public, the print media serve as a valuable supplement to broadcast spots.

In evaluating the research evidence on which this testimony is based, there are important issues involving the conclusiveness of the findings regarding the role of advertising, which require elaboration in this closing section. Since relatively few studies have been conducted to date and there are some inconsistencies in findings across various studies, additional research is needed to clarify the impact of alcohol advertising. More extensive investigation would allow precise documentation of the degree to which advertising influences certain attitudes and behaviors in different subgroups of the population. Other research is necessary to allow specification of the types of advertising content that have problematic effects (e.g., youthful characters, celebrities, sociability scenes, escape themes, sexuality portrayals, implication or depiction of excessive consumption). Research could also identify whether the inclusion of warning disclaimers or "drink in moderation" recommendations modify the impact of ads.

Another key issue concerns the nature of the causal relationship between advertising and drinking behavior. Each methodological approach to the study of advertising effects has certain weaknesses. Content analysis does not prove anything about the impact of messages, since one can't extrapolate from content to responses of an audience in terms of attention, comprehension, perception, learning, acceptance, and behavioral change. Econometric studies that analyze aggregate statistics such as sales figures over time related to advertising expenditures provide only a crude indication of potential impact, due to problems in specifying time lags for effects to be manifested, the lack of control over contaminating factors that may be affecting consumption rates, and ambiguity of the causal ordering (e.g., sales may increase or decrease due to unmeasured conditions such as the proportion of the population in the heavy-drinking young adult age groups or the strength of the economy, and sales figures might be inversely related to advertising spending over time because of increased advertising to stimulate lagging sales). Experiments have deficiencies tied to the artificiality of the setting and the inability to measure cumulative effects over long periods. Self-reported effects studies suffer from the message receiver's inability to accurately describe self-perceived effects of a subtle, gradual, or ego-threatening nature. Correlational surveys permit only limited inferences regarding the strength and direction of causality between variables that are positively associated (e.g., a correlation between exposure and heavy drinking may be due to heavy drinkers seeking out ads, rather than ads stimulating heavy drinking behavior). While there are shortcomings with each technique, the accumulation of data from a number of investigations using different methods will eventually provide a clearer picture of the nature of advertising's influence.

However, it should be noted that it is difficult to isolate the causal role of advertising in a difinitive fashion due to the complexities of the influence process. The input from advertising operates in the context of other cultural forces, interpersonal influences, competing and reinforcing messages in the media environment, and psychological predispositions of the audience members. Advertising exerts a subtle and cumulative effect that may not be manifested in simple stimulus-response sequences leading to short-run changes in overt behavior. Advertising is one of many contributing factors that affect drinking practices, rather than serving as the sole causal agent that directly produces straightforward behavioral responses. For example, ads may create mental images of the characteristics of the typical beer drinker, or define the occasions when drinking is considered to be appropriate, or reshape perceptions of the social acceptability of consuming certain quantities of alcohol, or remind drinkers of the satisfactions that they obtain from drinking. In combination with other influences such as social pressures or personal values, these effects of advertising eventually result in a greater likelihood of consumption or misuse.

Nevertheless, there are some instances where particular advertisements do "cause" behavior in a direct, immediate, and obvious manner. For example, a teenager might be tempted to experiment with drinking after seeing ads that portray an especially glamorous depiction of alcohol use in a social setting, or an adult may be prompted by go to the refrigerator for a drink after seeing an ad for a favorite brand, or a heavy drinker might derive the justification for consuming a large number of drinks after seeing ads depicting the acceptability of excessive drinking. Such cases do not account for a large proportion of advertising effects, however. Instead, the more significant and long-lasting impact is the contribution of advertising to the formation and change of beliefs and attitudes that fundamentally predispose people to drink various quantities of alcohol in various situations.

(EDITOR'S NOTE: In the interest of economy, two additional documents, entitled "Content and Effect of Alcohol Advertising" and "Alcohol Beverage Advertising: Its Content and Impact," submitted by Mr. Atkin were retained in the files of the Committee where they may be researched upon request.)

Senator HAWKINS. Thank you, Dr. Atkin.

Elaine Stienkemeyer?

Ms. STIENKEMEYER. Thank you. Madam Chairman and members of the Subcommittee on Alcoholism and Drug Abuse, I want to thank you for this opportunity to speak to you about alcohol advertising on radio and television.

I am Elaine Stienkemeyer, president of the National PTA, the Nation's largest volunteer child advocacy association, with 5.5 million members. And at this time, may I request that our written statement be placed in the hearing record, and I will just summarize?

Senator HAWKINS. So ordered.

Ms. STIENKEMEYER. The National PTA believes alcohol advertising works against efforts to discourage our children from drinking. Over the years, alcohol use among the young has reached epidemic proportions. Studies have shown that alcohol is the drug of choice for teenagers.

At least 90 percent of our high school seniors say they have used alcohol, and according to the latest University of Michigan survey of high school seniors, 67.2 percent said they drink alcohol regularly and 5 percent reported daily alcohol consumption.

Younger and younger children are drinking alcohol. In New York State alone, as an example, 50 percent of junior high school students reported using alcohol sometime in their life. And of the estimated 13 to 15 million alcoholics and problem drinkers in the United States, more than 3 million are under age 18.

The National PTA support of a petition to ban alcohol advertising on radio and television or for equal time for health messages about alcohol is a critical component of our effort to discourage young people from becoming involved with alcohol and illicit drugs.

In addition, delegates to National PTA's annual conventions passed nearly a dozen resolutions since 1963 calling on our 24,000 local PTA's to implement programs that address this problem.

In 1980, our convention adopted a resolution on advertising of alcoholic beverages, and I quote:

> That the National PTA condemns the advertising of alcoholic beverages, especially in movie theaters and on television and radio, directed toward children and youth, and work to eliminate it; and that the National PTA attempt to eliminate the advertising, especially in movie theaters and on television and radio, of all alcoholic beverages, including beer and wine, that associates such beverages with health, recreational activities, prestige, success, and sexuality.

In 1982, the National PTA board of directors named prevention of school-age alcohol and drug abuse its very highest priority. Since then, we have launched the National PTA Drug and Alcohol Abuse Prevention Project, helped form the 15-million-member National Coalition for the Prevention of Drug and Alcohol Abuse, awarded grants to more than 30 PTA councils throughout the country to enable them to conduct prevention programs in their community and, during March 3 through March 9, will be sponsoring Drug and Alcohol Awareness Week.

The National PTA believes that involving parents and the community is crucial and critical to preventing youthful alcohol use and abuse, but we also are aware that voluntary efforts, no matter how extensive, will not alone solve the problems associated with alcohol use among the young.

Parents are asking for cooperation of other segments of our society as well. We ask for the support of our elected officials to pass legislation to help prevent young people from getting involved with alcohol.

PTA members across the country have worked with other youth advocacy groups, alcohol abuse prevention and highway safety organizations to raise the minimum drinking age in their States to 21, and to pass the Uniform Minimum Drinking Age Act in the last Congress.

National PTA also supports passage of Federal legislation to require health and safety warning labels on alcoholic beverages. National PTA believes that alcohol education programs, a nationwide drinking age of 21, and alcohol warning labels could help turn our children away from involvement with alcohol. But these efforts are not enough.

Unless we eliminate and counteract the barrage of alcoholic beverage advertising on radio and television, society will continue to give our youth confusing and contradictory messages about alcohol use and abuse.

Beer and wine ads are broadcast indiscriminately to an audience that includes children and teenagers. Each week, television reaches 90 percent of all teens and 92 percent of all children. Children and teenagers spend between 3½ to 4 hours a day viewing television. They hear and see thousands of messages that connect drinking with athletic ability, skill, fun, and popularity—necessary ingredients for a successful, happy, adult lifestyle.

Commercials using celebrities, such as athletes, rock stars and their look-alikes, give young people messages that drinking goes along with success in athletics and in the world of entertainment. These ads do not depict the dangers that alcohol consumption is linked to: child and spouse abuse, employee absenteeism, fires, accidents, liver disease, suicide, birth defects, and mental retardation.

Beer and wine ads do not illustrate the problems that are related to youthful alcohol use. These ads do not speak to the 100,000 deaths and the $120 billion that alcohol abuse costs our society every year.

Alcohol advertising has but one purpose, to promote the sale of the product regardless of its potentially harmful effects. And because the national PTA believes that alcohol ads work against efforts to discourage children from drinking, in 1973 we joined dozens of other organizations to petition the Federal Trade Commission. We asked for a thorough investigation of alcohol advertising and marketing practices relating to the use and abuse of alcohol by young people.

We asked for the elimination of ads targeted to young people and of youth-oriented promotions by athletes, musicians, and other entertainment celebrities, and for the requirement for public service messages on the effects of alcohol. As indicated earlier, more than a year later we still have received no response from the FTC.

In September 1984, the national PTA board of directors unanimously adopted a Federal legislative directive to support efforts to counteract and eliminate alcohol beverage advertising on radio and

TV. Since then, thousands of PTA members around the country have joined more than 800,000 people in signing petitions, asking the Federal Government to ban alcohol advertising on radio and television or to require equal time broadcasting messages for the health effects of alcohol beverage consumption.

The national PTA urges the 99th Congress to take immediate action to turn our Nation's children away from alcoholic beverages. We need more and better educational programs to alert young people to the dangers associated with alcohol beverage consumption.

Those programs will miss their mark, however, if we continue to allow commercials to seduce young people into believing that alcohol and a drinking lifestyle are linked to the popularity, success, and happiness of their futures.

Thank you very much for this opportunity to present the concerns of the national PTA.

[The prepared statement of Ms. Strienkemeyer follows:]

Testimony by

THE NATIONAL PTA

Before the

Subcommittee on Alcoholism and Drug Abuse

of the

Committee on Labor and Human Resources

United States Senate

regarding

ALCOHOL ADVERTISING

by

Elaine Stienkemeyer
President, National PTA

February 7, 1985

Madam Chairman and Members of the Subcommittee on Alcoholism and Drug Abuse, thank you for this opportunity to speak to you about alcohol advertising on radio and television.

I am Elaine Stienkemeyer, President of the National Congress of Parents and Teachers (National PTA), the nation's largest volunteer child advocacy association with 5.5 million members.

National PTA believes alcohol advertising works against efforts to discourage our children from drinking.

Over the years, alcohol use amoung the young has reached epidemic proportions. Studies have shown that alcohol is the drug of choice for teenagers. Of the estimated 13-15 million alcoholics and problem drinkers in the U.S., more than 3 million are under age 18. At least 90 percent of high school seniors say they have used alcohol. According to the latest University of Michigan survey of high school seniors, 67.2 percent said they drink alcohol regularly and 5 percent reported daily alcohol consumption. Moreover, younger and younger children are consuming alcohol. For example in New York state, 50 percent of junior high school students report that they have used alcohol sometime in their lives.

The National PTA support of a petition to ban alcohol advertising on radio and television or for equal time for health messages about alcohol is a critical component of our efforts to discourage young people from becoming involved with alcohol and illicit drugs. Alcohol abuse is not a new issue for the National PTA. As early as 1898, delegates to the second annual Congress of Mothers (forerunner of National PTA) discussed the problems of alcoholism among our nation's youth.

The National PTA has responded to this alarming problem in several ways:

First, delegates to the National PTA's annual conventions have passed nearly a dozen resolutions between 1968 and 1984, calling on our 24,000 local PTA units to implement programs that address this problem. In 1980, delegates to our annual convention adopted a Resolution on the Advertising of Alcoholic Beverages which states:

> "that the National PTA condemn the advertising of alcoholic beverages, especially in movie theaters and on television and radio, directed toward children and youth, and work to eliminate it; and that the National PTA attempt to eliminate the advertising, especially in movie theaters and on television and radio of all alcoholic beverages, including beer

and wine, that associates such beverages with health, recreational activities, prestige, success, and sexuality."

In 1982, the National PTA Board of Directors named prevention of school-age alcohol and drug abuse its highest priority. Second, the National PTA supports alcohol and other drug abuse prevention education. In May 1983, we launched the National PTA Drug and Alcohol Abuse Prevention Project. The goals of this project are to inform parents about the reasons young people turn to alcohol and illicit drugs and to help parents protect their children from the dangers that substance abuse poses to their health, safety, personal, educational and social development.

In conjunction with this project, the National PTA helped form the 15 million-member National Coalition for the Prevention of Drug and Alcohol Abuse. The Coalition, with six other national organizations, mobilized its members to participate in town meetings and community campaigns to fight school-age substance abuse, and coordinated these activities with the November 1983 PBS broadcast of the Chemical People.

Third, during the past two school years, the National PTA has awarded grants to more than 30 PTA Councils throughout the country to enable them to conduct drug and alcohol prevention programs in their communities.

Fourth, this year, our association is sponsoring Drug and Alcohol Awareness Week which will be held March 3-9. The theme of

"Awareness Week" is "prevention begins at home"; its mission is to raise parents' awareness of the problems associated with youthful drug and alcohol abuse and to provide resources to help parents discourage substance abuse by their children. Thousands of PTA's have received Awareness Week kits to help them plan special PTA meetings and community events, to involve K-12 students in their activities, to work with community leaders and elected officials on such efforts as establishing local task forces on substance abuse, and to facilitate parent-child communcation in this important area. The National PTA believes that involving parents and the community is a critical component in preventing alcohol use and abuse.

However, the National PTA is also aware that voluntary efforts, no matter how extensive, will not alone solve the problems associated with youthful alcohol use. Parents are asking for cooperation of other segments of our society as well. That is why we have enlisted the support of our elected officials at the state and federal levels to pass legislation to help prevent young people from getting involved with alcohol.

For example, PTA members across the country have led efforts to raise the minimum drinking age in their states to 21. National PTA worked with other youth advocacy, alcohol abuse prevention, and highway safety organizations to pass the Uniform Minimum Drinking Age Act in the last Congress. While the disproportionate number of alcohol-related deaths and accidents amoung 18 to 20 year-olds was reason enough to call for a 21-Drinking Age, the National PTA's concern also was, and continues to be, that when our children become involved with alcohol, all areas of their lives are effected.

Also at the federal level, National PTA supports passage of legislation to require "alcoholic beverages to be labeled as drugs which, in cases of abuse, may be dangerous to ones' health and which present dangers to others if used while driving."

National PTA believes that these efforts -- expanded alcohol education programs in our schools and homes, a nationwide minimum drinking age of 21, and alcohol warning labels -- could help turn our children away from involvement with alcohol.

But these efforts are not enough. Unless we eliminate and counteract the barrage of alcoholic beverage advertising on radio and television that children and teenagers are exposed to daily, society will continue to give our youth confusing and contradictory messages about alcohol use and abuse.

Currently hard liquor is not advertised on radio and TV. However, beer and wine ads saturate the air waves to the tune of $700 million a year compared to only $7.1 million in free time for public service announcements about the effects of alcohol consumption.

Alcohol ads are broadcast indiscriminately to an audience that includes children and teenagers. Each week, television reaches

90 percent of all teens and 92 percent of all children. Teens aged 12-17 watch TV 3.5 hours a day; children aged 2-11 spend close to four hours a day viewing TV. They hear and see thousands of messages that connect drinking with athletic prowess, fun and popularity -- a necessary ingredient for a successful, happy adult lifestyle. Commercials using celebrities such as athletes, rock stars and their look-alikes give young people the message that drinking goes along with success in athletics and the world of entertainment.

These ads do not depict the damage that alcohol consumption is linked to: child and spouse abuse, employee absenteeism, fires, industrial and recreational accidents, liver disease, suicides, birth defects and mental retardation. Beer and wine ads do not illustrate the problems that are related to youthful alcohol consumption. These ads do not speak to the 100,000 deaths and the $120 billion that alcohol abuse costs our society every year.

Alcohol advertising has but one purpose -- to promote the sale of the product regardless of its potentially harmful effects.

A 1981 study conducted by Charles Atkins and Martin Block of Michigan State University concluded that advertising increases alcohol consumption by at least 10 percent. Of particular concern to the National PTA were the study's findings regarding young people. The study concluded that:

* when young people are exposed to alcohol ads that depict drinking as attractive, acceptable and rewarding, they have more favorable attitudes toward alcohol consumption;

- young people are influenced by young characters appearing in ads; and
- young people are influenced to a greater degree than are adults by ads using celebrities.

In a related study, conducted by Kimberly Neuendorff of Cleveland State University, the drinking attitudes and habits of 1,227 people age 12-22 were monitored. The study found that:

- exposure to alcohol advertising was the single most important factor in increased alcohol consumption;
- the greater the exposure to advertising, the more likely were the young research subjects to believe it safe to drink in sports or driving situtation;
- nearly 80 percent of the young people believed the ads' basic message was an appeal for excessive consumption.

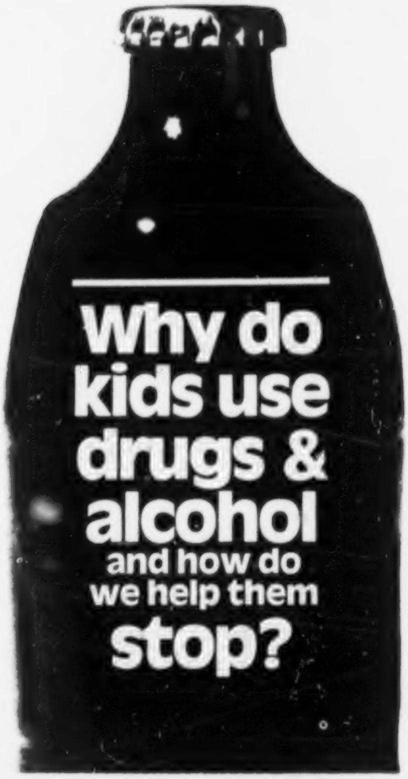
National PTA believes alcohol advertising works against efforts to discourage our children from drinking. That is why in 1983 we joined dozens of other organizations in a petition to the Federal Trade Commission. We asked for a thorough investigation of the advertising and marketing practices of the alcohol industry as they are related to the use and abuse of alcohol by young people. We asked for the elimination of ads targeted to young people and of youth-oriented promotions by athletes, musicians and other entertainment celebrities. We asked for a requirement for public service messages on the effects of alcohol. More than one year later, we have received no formal response from the FTC.

In September 1984, the National PTA Board of Directors, unanimously adopted a federal Legislative Directive to "support efforts to counteract and eliminate alcoholic beverage advertising on radio and TV." Also last September, the National PTA and other health, child advocacy, religious and education organizations launched a petition drive to raise the awareness of the administration and the Congress to the concerns that citizens have regarding alcohol advertising on radio and television. More than 800,000 people, including thousands of PTA members around the country, have already signed petitions asking the federal government to ban alcohol advertising on radio and television or require equal time broadcasting requirements for messages about the health effects of alcohol beverage consumption.

The National PTA urges the 99th Congress to take immediate action to help turn our nation's children away from using alcoholic beverages. Although advertising is not the only influence on drinking behavior, it is a factor about which something can be done and must be done. We need more and better education programs to alert young people to the dangers associated with alcohol beverage consumption. Those programs will miss their mark, however, if we continue to allow commercials to seduce young people into believing that alcohol and a drinking lifestyle are linked to popularity, success and happiness. All of us share a responsibility for children and youth -- parents, the community, schools, alcohol abuse prevention organizations, child-related associations, elected officials, the beer and wine industry, the advertisers, and the broadcasters -- and can contribute to a healthier and safer society for our young people.

Thank you for this opportunity to present the concerns of The National PTA.

pta today



Why do kids use drugs & alcohol and how do we help them stop?

Inhalants, hallucinogens, hashish, yellow jackets, acid, opiates, and ludes. It's like learning a whole new language. And the fact that your child may be exposed to these substances is frightening.

Some of your concern can be eased when you understand better why children use drugs and alcohol and what you can do to help your child say "no" to their use. The following articles will give you information to help you protect children from such dangers.

A reprint from **pta today**, October 1983.

Why do children use drugs and alcohol? This article looks at some of the reasons for school-age drug and alcohol use; explores some drug and alcohol prevention materials developed for use by students, parents, and school officials; and outlines several new drug and alcohol projects.

One of the best ways to find out why kids use drugs and alcohol is to ask them. In the 1982 television documentary *Kids, Drugs & Alcohol*, produced by NBC in cooperation with the U.S. Catholic Conference, news commentator Edwin Newman asked five reformed teenage drug addicts how and why they began using drugs. Their answers, together with results of other research, indicate that the key reasons for school-age drug and alcohol use are:

- peer pressure;
- the desire to run away from rather than deal with problems;
- children's perception that society accepts drug and alcohol use;
- the sheer availability of drugs; and
- to counteract boredom because drugs are "fun and make you feel good."

Here, as an example, is Michelle's story:

"When I finished sixth grade, I got into a big fight with my best friend and everyone got mad at me. I needed someone—a good friend. And the person I started hanging around with used a lot. So, I started using so I would be accepted by her. Eventually, I starting using as an "escape." I stopped using pot once it didn't take me away from reality as much. That's when I started on acid. It was a different world. I slept all the time or was high. I didn't like being at home or school. I didn't want to cope with anything. In a sense I'm glad I went off the deep end and that my parents cared enough to put me in a treatment center. I did have lots of problems, and if I hadn't ended up in treatment I never would have been able to learn how to work through my problems."

Peer pressure

Many parents may not realize that their children are usually first introduced to drugs through their friends, not the faceless drug pusher. Researchers agree that children who have friends who use drugs and alcohol are "at risk" of becoming drug users themselves.

"The way in which peer influence impels youth toward or away from drug experimentation is complex—but undeniably important," said Ardyth Norem-Hebeisen and Diane P. Hedin in *Adolescent Peer Pressure*, a 1981 research report issued by the National Institute on Drug Abuse (NIDA).

The authors continue, "In the peer group, attitudes, values, parental behavior, the school, and society are discussed and judged. As participants in these groups, teenagers are influenced by their desire to *conform* to group expectations. Teenagers most strongly influence each other regarding dress and appearance, choice of leisure-time activities, language, and use of alcohol and drugs. Parents' influence is strongest with regard to moral and social values, vocational choice, and educational plans."

How many children come in contact with people who use drugs? The University of Michigan survey *Student Drug Use, Attitudes, and Beliefs, National Trends 1975-1982* funded by NIDA (see other article in this section) asked high school seniors in the class of 1982 the following question: "During the last 12 months, how often have you been around people who were taking each of the following [drugs] to get high or for 'kicks'?" Almost 60 percent said they were around people using marijuana. In addition, 12 percent said they were around people using amphetamines and 6.6 percent were around people using cocaine.

How their friends feel about drugs also plays an important role in whether children use them. When asked how their friends felt about drug use, only about half of those surveyed thought their friends would disapprove if they tried marijuana once or twice, and 57 percent thought their friends would disapprove if they smoked it occasionally. Perhaps even more worrisome is this statistic: only half thought their friends would disapprove of them having five or more drinks once or twice every weekend.

In addition to peer pressure, another factor associated with school-age drug and alcohol abuse seems to be stress and the child's ability to cope with it.

Pressures on youth

While adolescence has always been considered a difficult period, today's teenagers seem more "troubled" than those of previous generations. Statistics on drug and alcohol abuse, sexual activity, juvenile crime, and suicide show increases.

According to *Adolescent Peer Pressure*, "Youth experience stress in a variety of forms—for example, loss (of a parent or friend), rejection, abuse (sexual or physical), and failure. Young people vary according to the kinds of skills they have for coping successfully with stress when it occurs," observe the authors. "Some youth who have adequate life coping skills can deal effectively with high degrees of stress; others who lack such skills are more vulnerable." Such youth may turn to drugs or alcohol as an escape from the pressures on them.

Several researchers have raised the concern that today's family is less effective in helping children deal with stress. One reason for this, they speculate, is because parents are spending less time with their children. The sharp increases in single-parent families and households where both parents work has contributed to this situation. In addition, some researchers fear that because many parents spend less time with their children, peer group influence is becoming more important and exerting an even stronger influence on children's behavior and attitudes.

The problems of peer pressure, stress, and the inability to cope with life's crises are complicated by what some observers say is our nation's unspoken, but obvious, acceptance of drug and alcohol use, coupled with readily available illicit drugs.

How society sees drug and alcohol use also influences young people. "For all you do, this Bud's for you," "Welcome, to Miller Time," "Weekends were made for Michelob." How many times have we seen or heard these beer commercials? Consider, too, the fact that the average child watches more than 20,000 TV commercials each year.

The film *Calling the Shots*, produced by Cambridge Documentary Films, takes a close look at the advertising of alcohol and concludes that alcohol commercials and print ads send a message to the consumer that alcohol will make a person popular, sexy, successful, athletic, happy, and powerful.

In addition, advertising for over-the-counter drugs presents the picture that they can cure whatever ails you. Taking aspirin is not the same as using an illicit drug, of course, but the message that young people receive is similar: it is acceptable to use drugs because physical or emotional pain is intolerable and must be made to go away fast.

Movies, rock songs, even perfumes named after drugs legitimize them to some extent.

The availability of drugs and alcohol in the United States only makes the situation worse. According to Jim Parcell, project coordinator of the Texas PTA drug project, "In America, there is an epidemic of drug *availability*. One hundred percent of young people going through junior high school will be offered alcohol or drugs."

Data on students' perceptions of drug availability lend support to Parcell's statement. According to the University of Michigan's report *Student Drug Use*, almost half of high school seniors surveyed felt cocaine was readily available. Nearly one in three thought it would be easy to get LSD. Students believed that marijuana, amphetamines, and sedatives were the most available drugs (excluding alcohol).

Drugs and alcohol are used by many young people to counteract boredom. In fact, during their high school years, many students have never been to parties where drugs and alcohol weren't available.

Adult role models

Because many young people imitate adult behavior, it is important to take a look at adult use of drugs and alcohol. According to an article in the May 16 *U.S. News & World Report*, in 1962 only four percent of adults aged 18 to 25 had ever smoked marijuana. By 1982, however, that figure had risen to 64 percent. Last year, 22 million Americans had used cocaine compared to a tiny fraction 20 years ago.

Adults—especially parents—should examine their own behavior and think about how it may effect their children's. Parents who smoke cigarettes and take diet pills, sleeping pills, amphetamines, or tranquilizers or drink "too much" alcohol while telling their children about the dangers of drug use are sending very mixed and confusing messages. Drug and alcohol prevention efforts must begin at home.

What's being done to help children resist peer pressure? The National Institute on Drug Abuse (NIDA) recently began a two-year drug abuse prevention media campaign, in cooperation with the Advertising Council, with the theme "Just Say No." Television and radio public service announcements and print ads will give children good "comebacks" for resisting drugs and alcohol when offered by their peers. Publications like *Peer Pressure: It's OK to Say No* and *For Kids Only: What You Should Know About Marijuana*, among others, are available free (see resources section).

According to NIDA, teaching children about the dangers of marijuana can also help prevent drug use. "It's a Fact...Pot Hurts" is the theme of NIDA's year-long anti-marijuana campaign, designed to give youth information on the physical and emotional dangers of marijuana use. Publications like *For Parents Only: What You Should Know About Marijuana* are available.

Many other publications, films, and classroom materials can help children resist peer pressure. The publication *Risks to Take, Choices to Make: Social Decisionmaking in Adolescence*, produced by the Education Development Corporation, tells adolescents that sometimes saying no can be difficult. The authors present a series of "peer pressure predicaments" and help teens learn how to respond.

Many people think of peer pressures only as a *negative* influence on youth. But peer pressure can also be positive. The newly released film *How Do You Tell?*, produced by J. Gary Mitchell Film Company, tries to make use of this positive potential. It is targeted to children in grades 2-6.

A number of school curricula are available on drug and alcohol abuse prevention. The American Automobile Association's (AAA) *Starting Early* is aimed at young children.

The high school curriculum *Skills for Living* was developed by the Quest National Center to help teens cope with stress through becoming more in touch with their feelings and learning to verbalize them. They also explore alternative ways to express their feelings.

In one exercise, for example, teenagers identify people they can go to with questions or problems. Teens are asked such critical questions as: With whom can you really talk about sex? With whom can you really share personal thoughts about your religious faith? With whom have you cried without fear of rejection? The curriculum also includes exercises to strengthen family communication.

These materials are just a few of the many available. See the resources section for more.

What parents can do

Parents can help their children resist drugs and alcohol in several ways:

- Watch the example you are setting. Some experts theorize that some young people use alcohol, cigarettes, tranquilizers and stimulants because their parents do.
- Talk with your children about the harm that drugs and alcohol can do to their bodies. Don't preach! Give them *accurate* information. "Scare tactics" will simply harm your credibility. An excellent source is the NIDA publication *For Kids Only: What You Should Know About Marijuana* (see resources section).
- Because students are usually exposed to drugs through their friends, teach your child how to be an individual and resist peer pressure. Also, consider starting a parent peer group. Get to know your children's friends and their parents, the need for a curfew, and other issues (see resources section for Texas PTA peer group manual).
- Be alert to the signs of drug use. Many parents may not realize how readily available drugs are to their children.
- Talk with your children about the portrayal of alcohol and drugs on television. Help your entire family think about how television and print ads influence their feelings about drug and alcohol use.
- To combat teen boredom, learn how to give a good party for teens. Be creative! Some tips to get you started are featured in the Texas PTA's drug education training manual (see resources section).
- Work with businesses to develop alternative activities for youth in your community. For example, start a "dry disco"—a disco that features a live band or records and a disc jockey, and doesn't sell alcoholic beverages. ☐

Articles in this section written by Dr. Denise Carter, National PTA Program Department.

Kids, drugs, and alcohol: a serious problem?

A dramatic drop in marijuana use among American high school students occurred between 1981 and 1982, according to the University of Michigan report *Student Drug Use, Attitudes, and Beliefs, National Trends 1975-1982,* funded by the National Institute on Drug Abuse. This good news is only the beginning. Between 1981 and 1982, nearly all classes of illicit drugs showed declines in use, with the most dramatic drops occurring for marijuana, cocaine, stimulants (pills that speed up the system), and sedatives (such as tranquilizers and sleeping pills), as the table on this page shows.

Does this mean parents need no longer fear their children's involvement with these substances? Unfortunately, no. According to the report, despite these declines, American young people exhibit "truly alarming levels of substance use and abuse, whether by historical standards or in comparison with other countries. In fact, they probably reflect the highest levels of illicit drug use to be found in any nation in the industrialized world."

Here are some startling statistics on drug and alcohol use among high school seniors in the class of 1982:

- More than 92 percent of high school seniors used alcohol at some time in their lives, and more than 69 percent used it in the month prior to taking the survey.
- Fully 59 percent used marijuana, and 29 percent reported some use in the past month.
- Nearly two out of three seniors reported illicit drug use at some time in their lives.
- More than four in every 10 seniors reported using an illicit drug *other than marijuana.*

In general, more males than females are drug users, especially in the category of heavy drug use. Both sexes use tranquilizers about equally. Females, however, use more stimulants and cigarettes.

Although student use of marijuana has declined over the past few years, student alcohol consumption has not.

As the table shows, in 1982 the number of students using alcohol was more than twice the number using marijuana. Almost seven out of ten high school seniors had used alcohol in the month prior to the survey, indicating that alcohol is truly the drug of choice for many teens.

The seriousness of teenage drinking is underscored when drinking is combined with driving. Automobile accidents are the leading cause of death of young people 15 to 24 years of age. Between 45 and 60 percent of all fatal car accidents involving a young driver are alcohol-related. This problem has prompted a national campaign to raise the legal drinking age.

Another alarming finding is that teenage girls are drinking more than ever before. In 1975, 75 percent of boys and 62.2 percent of girls had had a drink 30 days prior to the survey—a 12.8 percent differential. By 1982, however, that differential had closed to 8.7 percent because more teenage girls were consuming alcohol. There also are signs that teenage girls are binge drinking (drinking five or more drinks in a row). Between 1975 and 1982, binge drinking among boys increased only .8 percent. For girls, the increase was nearly 5 percent.

Trends in use among high school seniors of 11 types of drugs*

Percent who used drug in
30 days prior to survey

	1978	1979	1980	1981	1982
Marijuana/hashish	37.1	36.5	33.7	31.6	28.5
Inhalants	1.5	1.7	1.4	1.5	1.5
Hallucinogens	3.9	4.0	3.7	3.7	3.4
Cocaine	3.9	5.7	5.2	5.8	5.0
Heroin	0.3	0.2	0.2	0.2	0.2
Other opiates**	2.1	2.4	2.4	2.1	1.8
Stimulants**	8.7	9.9	12.1	15.8	13.7
Sedatives**	4.2	4.4	4.8	4.6	3.4
Tranquilizers**	3.4	3.7	3.1	2.7	2.4
Alcohol	72.1	71.8	72.0	70.7	69.7
Cigarettes	36.7	34.4	30.5	29.4	30.0

*Reprinted from *Student Drug Use, Attitudes, and Beliefs, National Trends 1975-1982, Table 8, p. 34. Those interested in obtaining a copy free of charge may write to the National Clearinghouse for Drug Abuse Information, National Institute on Drug Abuse, 5600 Fishers Lane, Rockville, Maryland 20857.*

***Only drug use that was not under a doctor's orders is included here.*

New PTA Drug and Alcohol Project

In August 1983, the National PTA, with its 5.3 million members and 25,000 local units, launched a nationwide Drug and Alcohol Project. Helping parents to understand better why children use drugs and alcohol and helping parents learn what they can do to protect their children from the dangers of drug use are the goals of this project.

The Drug and Alcohol Project has three parts: involvement with the National Coalition for the Prevention of Drug and Alcohol Abuse; awarding grants to 32 PTA councils to help them conduct local drug and alcohol projects; and publicizing resources available for PTAs to help them conduct drug and alcohol projects.

The National Coalition, representing more than 15 million people, includes the National PTA, Association of Junior Leagues, American Association of School Administrators, Lions International, National 4-H Council, Quest National Center, and the Pacific Institute for Research and Evaluation. Its first task is to mobilize its members and the public to view the television series *The Chemical People* (see page 33).

In August, the National PTA awarded grants of $500 each to 32 PTA councils to enable them to conduct local drug and alcohol awareness projects. These councils will organize their communities to view *The Chemical People,* build local coalitions, and help their local units conduct drug and alcohol programs in schools, at PTA meetings, and in the community.

In January, the project will enter its second phase when all PTAs will be encouraged to *accelerate* their efforts to address the problem of school-age drug and alcohol abuse. At this time, the National PTA will begin a national media campaign featuring radio and television public-service announcements.

The National PTA is calling on each of its state and local affiliates to participate in this national effort to prevent drug and alcohol abuse!

National PTA in Action: How your PTA can participate in the Drug and Alcohol Project

by Patricia Hoffman and Denise Carter

The Drug and Alcohol Project is the newest addition to the National PTA's list of health, education, and safety programs. In last year's columns, we told you about our other projects—safety belts and child restraints, parent seminars on adolescent sexuality, television viewing skills, the Reflections cultural arts project, and our parent involvement project, *Looking In on Your School*.

Because we have just launched the Drug and Alcohol Project, our column this month presents ideas to help your PTA get involved in this national effort.

To conduct some of the suggested activities, you will need to order resources in advance. Many of the resources needed are included in the resource listing presented on page 31. The number following each suggested activity refers to this resource listing.

Working with your PTA

- Conduct a series of programs on prevention of drug and alcohol abuse for your local PTA. Six suggested programs are available by writing the National PTA program department. Each program presents suggested films, panelists, and brochures (30).
- Conduct a media monitoring project. Ask parents to clip print ads that advertise alcohol, drugs, and cigarettes, and to bring them to your next meeting for display on poster boards. Discuss drug and alcohol advertising at the meeting, and show the film *Calling the Shots*, which addresses the subject of alcohol advertising (8).
- If you have a local unit newsletter, designate a section as the "drug and alcohol abuse prevention column." Get pediatricians, drug abuse counselors, students, teachers, parents, and panelists from past meetings who were especially good to write articles. If you don't have a PTA newsletter, start one!
- Work with the school librarian to make sure that pamphlets, films, and books on drug and alcohol abuse are available for students and school staff members. Or, for a more ambitious project, get your district to fund a drug and alcohol resource mobile—a moving library that travels from school to school in your district (23-36).

Working with students (K-6)

- "Alcohol Alley," an exciting board game for students in grades 4-6, teaches the importance of good health habits and the dangers of alcohol use. Organize an "Alcohol Alley" round-robin competition. Games could be held during recess, after school, or on Saturdays. Ask managers of local pizza parlors, ice cream parlors, bookstores, and movie theaters to provide free passes or coupons to the winners. Ask teachers to publicize the competition on classroom bulletin boards and in student newspapers. Inform parents of the purpose, dates, and times of the round-robin and invite them to attend (30).
- Organize a poster contest. Ask teachers to initiate a class discussion on drug and alcohol use. Announce the contest after the discussion. Pick a contest theme that makes students think about some of these things: the dangers of alcohol and drug use; how they can spend time with friends other than using drugs; the importance of a healthy body and an alert mind; and people they can turn to for help in times of crisis. Display winning posters in the lobbies of local businesses, hospitals, and recreation centers, and in supermarket and store windows. Suggest that local printers put them on book covers, T-shirts, and balloons to donate to the PTA for schoolchildren.
- Arrange a field trip to a baseball, football, or basketball game. Most teams have players who speak to groups. Ask the team's public relations manager to arrange for a team member to speak with students about the importance of good health and a clear mind for a good performance, and the importance of setting a goal and working hard to reach it. Because teams have busy schedules, be sure to start planning this activity *early*.
- Organize a "Friday Night at the Movies" project in which weekly after-school movies will be shown in the auditorium. Many classic films, such as those by Charlie Chaplin, can be borrowed free or rented at low cost. Try to include documentaries on American "heroes," such as Charles Lindbergh, Albert Einstein, Jim Thorpe, or Martin Luther King, Jr. If permissible, sell popcorn to defray any costs. Your local public library may be able to rent films to you or recommend places where you can order films.

Working with students (7-12)

- Develop a directory for teenagers of places to go and things to do. Publicize community events, public library activities, good movies, and sporting events.
- Working with teachers, organize an *anonymous* letter-writing project. Ask students to write a serious letter telling what they have always wanted adults to know about drug and alcohol use, and their feelings about these subjects. To ensure anonymity, PTA members should help type the letters and school typewriters should be available for use by students. When you tell students about this project, stress that it's an opportunity for no-hassle, honest communication, and a chance for students to give adults some much-needed information on what's really happening.
- Conduct a class-by-class pizza-making, cookie-baking, or cake-decorating contest. Have finalists repeat their winning recipes for judging during a Friday or Saturday night "bake-off." Publicize the contest, the semi-finalists, and the winners.
- Help students find somewhere to go in the evening. Work with students to organize a community center that has a "dry disco," film festivals, live music performances, and teen talent nights. Consider a "youth library" in the center—a place students can go to get information that they may be too embarrassed to get from parents, teachers, or librarians. Do not rule out a weekly weekend event at your school. This project requires a great deal of planning and commitment from many people, but can be of great help to kids who are bored and restless at night (24). □

Drug and alcohol resources

There are many publications, films, project planning guides, and curricula dealing with school-age drug and alcohol abuse. Listed below are some of the best materials available. Order early to make sure the materials are received in time for your local PTA meetings. Because many films available for rental have waiting lists, be certain to order in advance to avoid disappointment. Also, when ordering publications or films, request a copy of the organization's catalog; it may indicate the availability of other drug and alcohol materials that your PTA can use.

If you have any difficulty ordering these materials, just pick up the phone and call the National PTA program department. We'll do the best we can to help!

Toll-free numbers:

National Institute on Drug Abuse (helps organizations plan and conduct drug and alcohol projects), (800) 638-2045; Parent Resources Institute for Drug Education (PRIDE) (offers drug information), (800) 241-9746; Cocaine (trained counselors and therapists offer advice to cocaine users and their friends and families), (800) COCAINE; National Health Clearinghouse, (800) 336-4797.

Drug and Alcohol Project Planning Materials:

1. *Taking Action Together. Prevention of Alcohol and Other Drug Abuse and Related Youth Problems, Ideas for Communities.* 35 cents. Wisconsin Clearinghouse, 1954 East Washington Avenue, Madison, Wisconsin 53704-5291, (608) 263-2797.
2. *Making an Issue of It. The Campaign Handbook; How to Produce a Slide Show; Setting Up a Speakers Bureau; Reaching the Public; Breaking into Broadcasting; Getting into Print.* League of Women Voters of the United States, 1730 M Street, N.W., Washington, D.C. 20036, (202) 429-1965.
3. *Building Coalitions the PTA Way, Making Coalitions Work: A Step-by-Step Guide.* Single copy free. National PTA, 700 North Rush Street, Chicago, Illinois 60611-2571, (312) 787-0977.
4. *Program Planning and Proposal Writing* (8-page version), $1.50; *Proposal Checklist and Evaluation Form,* $7.00 for 25. The Grantsmanship Center, 1031 South Grand Avenue, Los Angeles, California 90015, (213) 749-4721.
5. *Is Beer a Four-Letter Word?* A project planning guide for junior high and high school youth, and the companion adult guide, *On the Sidelines.* National Clearinghouse on Alcohol Information (see under **Publications** for ordering information).
6. *Drug Education Training Manual and Resource Guide,* and *Alcohol: A Family Concern-Alcohol Education Workshops Training Guide.* Training manuals used in highly successful Texas drug and alcohol projects. Texas PTA, 408 West 11th Street, Austin, Texas 78701, (512) 476-6769.

Audiovisuals:

7. *The Drug Abuse Test; Epidemic: America Fights Back (Community Action); Teenage Drinking: A National Crisis; What Parents Should Know About Drugs; You're Under Arrest* (drunk driving); *Lots of Kids Like Us* (for children of alcoholics); *How Do You Tell* (for children in grades 2-6); and many other substance abuse films. MTI Teleprograms, Inc., 3710 Commercial Avenue, Northbrook, Illinois 60062, (800) 323-5343. In Illinois, Alaska, and Hawaii, call collect (312) 291-9400.
8. *Calling the Shots: The Advertising of Alcohol.* Cambridge Documentary Films, Inc., P.O. Box 385, Cambridge, Massachusetts 02139, (617) 354-3677.
9. *Until I Get Caught* (drunk driving film). Free-loan basis. National PTA, Program Department, 700 North Rush Street, Chicago, Illinois 60611-2571, (312) 787-0977.
10. *Reading, Writing, and Reefer; Getting Straight; Pleasure Drugs: The Great American High (an NBC Whitepaper).* Films Incorporated, 1213 Wilmette Avenue, Wilmette, Illinois 60091, (800) 323-4222 (in Illinois call collect (312) 256-3200).

11. *It's Up to You: What Parents Should Know and Do About Drug and Alcohol Abuse Among Children.* Contact your local Blue Cross and Blue Shield Association. Ask about the accompanying brochure.
12. *Livewire* and *Against the Odds* (for preadolescents and adolescents), two television series broadcast on Nickelodeon, children's cable TV channel. NICKELODEON, 1133 Avenue of the Americas, New York, New York 10036.
13. *Smoking: The Choice Is Yours* (animated cartoon for elementary school students). Walt Disney Productions, 500 South Buena Vista Street, Burbank, California 91521; (800) 423-2555. Rental: $35.00.
14. *Stoned: An Anti-Drug Film* (for students in Grades 6-9). Learning Corporation of America, 1350 Avenue of the Americas, New York, New York 10019, (212) 397-9360.
15. *Just Along for the Ride* (drinking and driving film for students in grades 7-12); *Soft Is the Heart of a Child* (film for adults on children of alcoholics); *Stop Drunk Driving: A Call to Action.* Free-loan basis. Modern Talking Picture Service, 5000 Park Street North, St. Petersburg, Florida 33709.

Curricula:

16. *Teaching Tools for Primary Prevention: A Guide to Classroom Curriculum.* National Clearinghouse for Drug Information, P.O. Box 416, Kensington, Maryland 20795.
17. *Starting Early* (K-6); *AL-CO-HOL* (junior high); *AAA's Alcohol Countermeasures for High School Driver Education* (high school). Contact your local American Automobile Association (AAA) for information.
18. *Elementary Alcohol Education, Starting the CHUG,* and *Elementary Drug Education.* FLI Learning Systems, Inc., P.O. Box 2233, Princeton, New Jersey 08540, (609) 466-9000.
19. *Skills for Living* (high school students). The Quest National Center, 4360 Maize Road, Columbus, Ohio 43224, (614) 267-6800.
20. *About Alcohol and Drugs: A Coloring and Activities Book.* $1.25 each, minimum order, 100. Channing Bete Co., Inc., South Deerfield, Massachusetts 01373, (413) 665-7611.
21. *Risks to Take, Choices to Make.* Education Development Center, Inc., 55 Chapel Street, Newton, Massachusetts 02160.
22. *Alcohol Information Module (AIM)* (middle school). $14.00. American Red Cross, Youth Services, 17th and D Streets, N.W., Washington, D.C. 20006, (202) 737-8300.

Publications:

23. *Are You a Drug Quiz Whiz?; For Parents Only: What You Should Know About Marijuana; For Kids Only: What You Should Know About Marijuana;* comic and activity books (*Catching On, This Side Up, Got a Minute, Super Me-Super Yo* (bilingual), *Soozie Says "Only Sick People Need Drugs!"*); and more drug education publications. Single copy free. National Clearinghouse for Drug Abuse Information, P.O. Box 416, Kensington, Maryland 20795. Multiple copies of the above publications are available (for a small charge) from the U.S. Government Printing Office, Superintendent of Documents, Washington, D.C. 20402, (202) 783-3238.
24. *Is Beer a Four-Letter Word?, Facts About Alcohol and Alcoholism;* posters, a directory of state alcohol directors, and many alcohol education publications. Single copy free. National Clearinghouse for Alcohol Information, P.O. Box 2345, Rockville, Maryland 20852.
25. *It's Up to You: What Parents Should Know and Do About Drug and Alcohol Abuse Among Children.* Ask about the accompanying film. Contact your local Blue Cross and Blue Shield Association.
26. *Marijuana and You: Myth and Fact.* American Council on Marijuana and Other Psychoactive Drugs, Inc., 6193 Executive Boulevard, Rockville, Maryland 20852, (301) 984-5700.
27. Series of drug fact sheets: *Cocaine, Hallucinogens, PCP, Marijuana, Quaaludes, Opiates, Amphetamines, Caffeine, Barbiturates, Tobacco, Inhalants,* and *Valium.* Also, *Teens and Drugs: Information for Parents* and *Parents: Suggestions for Preventing Drug Abuse in Your Family.* 20 cents each. Charlotte Drug Educational Center, Inc., 1416 Morehead Street, Charlotte, North Carolina 28204, (704) 374-3211.
28. *Middle School Series* (six oversize booklets for students in grades 6-12 on mood-altering chemicals); *You Asked for It: Information on Alcohol, Other Drugs, and Teenagers; Who's Raising the Family? A Workbook for Parents and Children;* and many other publications. Wisconsin Clearinghouse, 1954 East Washington Avenue, Madison, Wisconsin 53704-5291, (608) 263-2797.
29. *Straight Talk About Alcohol: For Parents and Teenagers.* 10 cents each. Distilled Spirits Council of the United States, Inc., 425 Thirteenth Street, N.W., Washington, D.C. 20004, (202) 628-3544.
30. Six suggested local unit drug and alcohol programs (free); *Alcohol: A Family Affair* and *Children and TV: What Parents Can Do,* single copy free, $2.00 for 100; *Alcohol Alley* (a monopoly-like board game for students in grades 4-6), $15.00; *The First to Do It* (record of six alcohol public service announcements), $2.00; and poster series (eight alcohol-related posters), $1.75 per set. Also, *PTA Today,* "Parent Education: Communicating with Our Children About Alcohol and Sex," December 1981-January 1982, $1.00. National PTA, 700 North Rush Street, Chicago, Illinois 60611-2571, (312) 787-0977.
31. *Drunk Driving: A Killer We Can Stop.* Single copy free. Insurance Information Institute, 110 William Street, New York, New York 10038, (212) 669-9200.
32. *The Drunk Driver May Kill You: What You Can Do to Help Get the Drunk Driver Off the Road.* Single copy free. Allstate Insurance Company, Advocacy Programs Division, Allstate Plaza North F-3, Northbrook, Illinois 60062, (312) 291-5091.
33. *Drug Abuse Update.* $5.00 for one-year subscription ($5.20 for Georgia residents). Families in Action, Suite 300, 3845 North Druid Hills Road, Decatur, Georgia 30033, (404) 325-5799.
34. *The New Teen Titans* (comic book produced as part of the President's drug awareness campaign). Single copy free. U.S. Customs Service, c/o Mr. Steve Jacobs, Room 4122, 1301 Constitution Avenue, Washington, D.C. 20229.

For administrators...

35. *Helping Kids Say "No" to Drugs.* Streamlined Seminar Newsletter (May 1983). Single copy 50 cents. National Association of Elementary School Principals, 1920 Association Drive, Reston, Virginia 22091.
36. *Dealing with Drug Abuse.* The Practitioner Newsletter (April 1982). Single copy 50 cents. National Association of Secondary School Principals, 1904 Association Drive, Reston, Virginia 22091.

Organizations to contact:

Alateen, Al-Anon Family Group Headquarters, Inc.
P.O. Box 182
Madison Square Station
New York, New York 10159
(212) 481-6565

Alcoholics Anonymous
General Service Office
P.O. Box 459
Grand Central Station
New York, New York 10163
(212) 686-1100

American Automobile Association (AAA)
Traffic Safety Department
Falls Church, Virginia 22047
(703) 222-5000

American Cancer Society
777 Third Avenue
New York, New York 10017
(212) 371-2900

American Lung Association
1740 Broadway
New York, New York 10019
(212) 245-8000

Families in Action
Suite 300
3845 North Druid Hills Road
Decatur, Georgia 30033
(404) 325-5799

National Association of Secondary School Principals
1904 Association Drive
Reston, Virginia 22091
(703) 860-0200

National Clearinghouse for Alcohol Information
P.O. Box 2345
Rockville, Maryland 20852

National Clearinghouse for Drug Information
P.O. Box 416
Kensington, Maryland 20795
(800) 638-2045 (National)
(800) 492-2948 (Maryland)

National Federation of Parents for Drug Free Youth
1820 Franwall Avenue
Silver Spring, Maryland 20902
(301) 649-7100

National Highway Traffic Safety Administration
Office of Alcohol Countermeasures
NTS 21
400 Seventh Street, S.W.
Washington, D.C. 20590

Parent Resources Institute for Drug Education (PRIDE)
Georgia State University
University Plaza
Atlanta, Georgia 30303
(404) 658-2548

What do you know about kids and drugs?

Here are eight questions to test your knowledge about drugs and drug abuse. It is not important that you answer all of the questions right. You might be surprised when you check the answers. But they are the facts. What is important is that you start thinking about the impact of drugs in your life. This quiz will increase your awareness of the drugs most often abused or misused and how drugs can affect you. If you have any questions or concerns about the answers, you may want to discuss them with your family physician or counselor, or call a drug information hotline, if your community has one.

Mark your answers, then look at the bottom of the page to find out if you're right.

1. The drug most commonly used by teenagers is

☐ marijuana
☐ alcohol
☐ cocaine
☐ heroin

2. Most children make their first contact with illicit drugs

☐ through "pushers"
☐ through their friends
☐ accidentally
☐ through the media

3. What sobers up a drunk person?

☐ a cold shower
☐ black coffee
☐ a traffic ticket
☐ time
☐ walking

4. How long does marijuana stay in the body after smoking?

☐ one day
☐ 12 hours
☐ up to a month
☐ one hour

5. What makes marijuana especially harmful today?

☐ younger kids are using it
☐ it is much stronger
☐ it could affect physical and mental development
☐ all of these
☐ none of these

6. Approximately what proportion of high school seniors have ever used marijuana?

☐ 6 out of every 10 (60%)
☐ 4 out of every 10 (40%)
☐ 2 out of every 10 (20%)

7. Check the following statements about marijuana which are true:

☐ Marijuana smoke contains more cancer-causing agents than tobacco smoke.

☐ Marijuana can interfere with driving and other skills.

☐ Doctors believe people with heart conditions should not use marijuana because it increases the heart rate as much as 50 percent.

☐ Marijuana lowers hormone levels in both men and women.

8. What is the number-one cause of death for young people 15-24?

☐ Drug overdose
☐ Automobile accidents

Portions of this quiz are taken from the National Institute on Drug Abuse publication** ***Are You a Drug Quiz Whiz?

Answers to drug quiz: **1.** Alcohol; **2.** Through their friends; **3.** Time; **4.** Up to a month; **5.** All of these; **6.** About 60 percent; **7.** All of these; **8.** Automobile accidents.

These reprints of drug and alcohol articles from the October 1983 **pta today** were produced by the National PTA, in association with the
Wm. **WRIGLEY** Jr. Company

Copyright by The National PTA, 1983. All rights reserved.

Permission to reprint materials may be requested through the National PTA program department,
700 N. Rush Street, Chicago, Illinois 60611-2571,
(312) 787-0977

Senator **Hawkins**. Thank you.

Dr. Johnston, of the University of Michigan, welcome.

Dr. **Johnston**. Thank you, Madam Chairman. I appreciate this opportunity to talk with you about this important subject. I would like to submit my comments in writing later, if I may, with some technical appendixes providing data.

Senator **Hawkins**. Surely.

The record will be open for a week for any of those that wish to contribute.

Dr. **Johnston**. My name is Lloyd Johnston. I am a social psychologist at the University of Michigan and, along with two of my colleagues there, direct what has become known as the high school senior survey. A couple of people have already cited data from this study; and I am glad to know that people are using our information.

The formal name of the study is Monitoring the Future, I should tell you. I will be talking with you today primarily about what we know about alcohol use among today's young people and young adults and try to tie that to what I think are the relevant issues being discussed by this subcommittee.

The series of surveys was launched in 1974 by the White House Special Action Office on Drug Abuse Prevention, and has been sustained during most of its existence by research grants from the National Institute on Drug Abuse.

Since 1975, we have measured illicit drug use, cigarette smoking, alcohol consumption, and a host of other factors in the last 10 graduating classes of high school seniors in the Nation, surveying approximately 17,000 seniors each year in roughly 130 schools.

Several facts come out of this series which I think are worth consideration here, the first of which concerns the sheer magnitude of the problem of alcohol use among our young people.

Despite the fact that in most States, the sale of alcohol to minors under the age of 18 is illegal, we find that nearly all American adolescents have tried alcoholic beverages by that point in their lives. In the last eight graduating classes—and, remember, these are youngsters about 17 or 18 years old—we found a lifetime prevalence of drinking of 93 percent of all seniors. That is about as close to 100 percent as you are likely to get on individual behavior.

And in the data that I will provide you, the lifetime prevalence for lower grade levels may be found as well; it is impressive.

The vast majority of seniors, from 8 to 88 percent, have a drink in just the prior year, and more than two-thirds have been drinking in just the past month. Of more concern is the fact that between 5 and 7 percent of the seniors in each of these graduating classes may be defined as current daily or near-daily drinkers; by that, we mean they have had alcoholic drinks on 20 or more occasions in the past 30 days.

But particularly disturbing is the syndrome of heavy party drinking which has become so very prevalent among American teenagers. When asked whether during the prior 2-week interval they had consumed five or more drinks in a row, approximately 40 percent of each of the last 10 classes have said that they have, about 50 percent of the boys, about 40 percent of the girls—4 in every 10 of our students in their senior year in high school.

In fact, roughly 30 percent of all of them have had that much to drink at least twice in the last 2 weeks, and nearly 20 percent 3 or more times in the last 2 weeks.

I must say that I have yet to meet an adult in this society who is not shocked by these figures. I think youngsters are less shocked; they know what is going on.

Offered 15 possible reasons for their drinking alcohol, these teenagers most often chose to have a good time with my friends, followed by to get high or feel good. The setting most often cited as to where drinking takes places is at a party, followed by with one or two other people present. Seldom are adults present.

And, in addition, some of these youngsters, particularly the heavier drinkers, drink when they are alone, at school, in cars, by themselves, and so forth. When asked, how much do you think people risk harming themselves physically or in other ways if they take one or two drinks nearly everyday, four-fifths of the seniors thought that there was not a great risk involved here.

Asked the same question about having five or more drinks once or twice each weekend, the majority, as many as two-thirds in some classes, thought that there was not a great risk involved with this. Even for having five or more drinks nearly everyday, one-third thought that there was not a great risk. I think most objective observers would say that many of our young people are underestimating the dangers associated with these patterns of regular alcohol use.

One other statistic on alcohol which I would like to bring to your attention comes from a scientific article which we have written, but which is still in press. Despite the slight downturn in overall alcohol prevalence statistics in the last couple of years, which will be documented in the tables that I give you, we are finding that the proportion of seniors who say they are using alcohol for certain psychological coping motives has continued an increase which began at least as far back as when the study did; that is, in 1975.

To be more specific, the proportion of seniors who say that one of their reasons for using alcohol is to get away from my problems has risen by half between 1976 and 1984, from 12 percent to 18 percent of all of the seniors.

Similarly, the proportion who say that they use to deal with anger and frustration has risen from 11 percent to 16 percent. These have been steady, gradual rises. I have no doubt that they are real, and we find them to be troubling.

When it comes to peer norms regarding alcohol, fully 86 percent say that their friends would disapprove of their taking four or five drinks every day, but only about half say their friends would object to their drinking that much once or twice every weekend.

In fact, roughly 30 percent say that most or all of their friends get drunk at least once a week. From a quarter to a third say their friends would not object to their having one or two drinks daily.

In sum, peer norms are pretty permissive, particularly when it comes to heavy party drinking.

Up to this point, I have spoken about drinking in general, without differentiating the three major classes of alcohol; but for the purposes of these hearings, these distinctions are important.

In a table in my handout, I will show the statistics for beer, wine, and spirits separately. There are several points that it will illustrate, the first being that beer accounts for the preponderance of alcohol use in this age group. This fact is particularly relevant when one considers the massive amount of beer adversiting and promotion to which the age group is exposed, particularly on television, and the number of times the imagery of partying with your friends is used in these promotions.

Of the daily drinkers in each graduating class, nearly all drink beer daily and only a minority drink hard liquor or wine daily. The story among the heavy party drinkers is much the same. Nearly all of those who have had five or more drinks in the past 2 weeks, and that is 39 percent in the class of 1984, have taken that much beer on at least one of those occasions—36 percent, versus only 21 percent for hard liquor and 13 percent for wine.

So, clearly, beer is the central substance of abuse in this age group.

For all three of these major classes of alcoholic beverages, it appears that there was a gradual increase in most usage measures from 1976 to about 1980, and this undoubtedly follows an earlier period of a considerably greater rise in alcohol use. I would say that alcohol use is near its historic high for this age group, even though there has been a little decline since 1980 in the prevalence rates.

I want to emphasize that although there has been a little decline in alcohol use in the past few years, as you will see in these tables, this decline coincides with an even greater decline in illicit drug use. Certainly, one has to wonder whether alcohol use would not have dropped even more in proportion to illicit drugs were it not buttressed by a massive advertising campaign. In fact, it is of interest to note that of the three beverage classes, the beer consumption statistics on current prevalence showed the least absolute and proportionate drop from the peak level, and heavy party drinking involving beer began to show a decline only in 1984. It was the last of the alcoholic beverages to show a decline at that level of involvement.

As a number of speakers have already suggested, the problem of getting at cause and effect in such historical trends is very difficult. But it looks like there have been some historical forces which have moved young people toward more conservative view in regard to using abusable substances generally. But we have not seen much of that effect occur in the case of beer and I think advertising provides one explanation for that—perhaps the major one.

I would like to make a few other remarks on the issue of advertising and promotion. It seems clear to me from our data and from other data in the field that young people do not have a realistic appreciation of the hazards of drinking, nor do they have peer norms which help to protect them from those hazards.

Hard partying with alcohol is an "in" thing, particularly with beer, not only in college-age youngsters—and, incidentally, the statistics I gave you would be conservative estimates for college-age—but among children in our high schools.

While my general impression is that we are just now seeing the beginning of a swing toward more concern and more restrictive norms on this issue among young people, and perhaps among adults as well, perhaps largely the result of efforts by voluntary citizen groups such as Mothers Against Drunk Driving, we must recognize that the massive and sophisticated advertising campaigns, particularly on television, will do much to blunt this natural correction.

Like most parents—I cannot help but wince when I see the ubiquitous and very sophisticated beer commercials which extol the cammeraderie, good fun, and self-reward which drinking beer can bring.

Some commercials have even been very explicit about the right to drink beer being a sign of achieving adulthood, of being a man. How can the constant barrage of these images year after year help but create the expectations which youngsters have regarding alcohol?

How can they help but undercut the development of normative constraints on drinking? How can they help but create the impression that almost everybody who is with it is partying down?

I think it would have been possible for the industry to do otherwise, but it has not. And in a competitive marketplace, those with the ethical fiber to constrain their pitch are the ones who lose market share—a fact which makes self-regulation, in my opinion, a nearly hopeless cause.

We have seen this in the case of cigarette advertising, where the industry's self-regulation code in its statements of what they will not do in their advertising pretty well describes exactly what they are doing today.

Therefore, if there is to be restraint, it almost certainly must be externally imposed, in my opinion.

One final point about the strong partying image conveyed in so much of beer and wine advertising: The concern has been raised among members of the National Advisory Council on Drug Abuse, a body on which I currently serve, that the message in so many of the alcohol commercials that getting high with your friends can be lots of fun and is quite a socially acceptable activity, may well generalize to drugs other than alcohol.

After all, one can get high with their friends on marijuana, uppers, downers, and psychedelics, as well as alcohol. And, in fact, a lot of youngsters use one or more of these in combination with alcohol when they party.

So as long as this powerful imagery of the fun of partying with your friends, centered around or facilitated by the use of a drug, is being conveyed to our young people through alcohol advertising, we are concerned that it will be harder to move youngsters away from using illegal drugs to party as well.

This is not a point often heard, but I believe it is a point worth particular consideration by anyone concerned with the massive epidemic of illegal drugs being experienced by this country, and I know the members of this subcommittee are.

In closing, I would like to share a quote, which actually I had for other purposes, since it has to do with advertising in the tobacco industry. But it is so relevant to the discussion today that I would like to mention it to you.

This is a quote from a man named Emerson Foote, the former chairman of the second largest advertising agency in the world, McKann, Erikson. Previous to that, he was the founding president of Foote, Cohen & Belding, another major advertising agency. Both of those agencies, by the way, carried tobacco ads.

Mr. Foote left the advertising field and a very lucrative job in it, after serving on a Presidentially appointed commission to look at cigarette smoking and its effects. He wanted to see what he could do to ameliorate the problem. If anyone would know whether market share is the only thing that is being affected by advertsing, surely it would be this man:

> It is worth mentioning in passing that in recent years, the cigarette industry has been artfully maintaining that cigarette advertising has nothing to do with total sale of cigarettes, and that the only effect of cigarette advertising and promotion is to switch smokers from one brand to the other. Take my word for it, this is utter rot, and they know it is utter rot.

Senator HAWKINS. Thank you very much, Dr. Johnston. Were you here for the panel that preceded you?

Dr. JOHNSTON. I beg your pardon?

Senator HAWKINS. Were you in the room when the panel preceded you?

Dr. JOHNSTON. Yes.

[The prepared statement of Dr. Johnston follows:]

TESTIMONY OF

LLOYD D. JOHNSTON, PH.D.
PROGRAM DIRECTOR
INSTITUTE FOR SOCIAL RESEARCH
THE UNIVERSITY OF MICHIGAN

BEFORE THE

SUBCOMMITTEE ON ALCOHOL AND DRUG ABUSE
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

IN HEARINGS HELD ON
BEER AND WINE ADVERTISING IN THE ELECTRONIC MEDIA
FEBRUARY 7, 1985

45-933 O—85——11

Madame Chairman and members of the Subcommittee, I appreciate the opportunity to speak to you today on the issue of beer and wine advertising in the electronic media. My comments will be addressed primarily to facts about the levels and patterns of alcohol use currently observed among American adolescents and young adults, though I would like to conclude with a few remarks specifically concerning the issue of advertising.

As you may know, I--along with two other social psychologists at the University of Michigan (Drs. Jerald G. Bachman and Patrick M. O'Malley)--direct the long term series of annual surveys of American high school students known as the High School Senior Surveys or more formally as Monitoring the Future. This series was launched in 1974 by the White House Special Action Office on Drug Abuse Prevention, but has been sustained for most of its existence by research grants from the National Institute on Drug Abuse. Since 1975 we have measured illicit drug use, cigarette smoking, alcohol consumption, and a number of other factors in each of the last ten graduating classes of high school seniors, surveying nationally representative samples of approximately 17,000 seniors in 130 high schools nationwide each year (Johnston, O'Malley, and Bachman, 1984).

Several facts to come out of these surveys are worth consideration in the current deliberations, in my opinion, the first of which concerns the sheer magnitude of the problem of alcohol use among our young people. Despite the fact that in virtually all states the sale of alcohol to minors under the age of 18 is illegal, we find that nearly all American adolescents have tried alcoholic beverages by that point in their lives. In the last eight graduating classes (most seniors are 17 or 18 years of age) we have found a lifetime prevalence of drinking of 93% of all seniors. (Lifetime prevalence of alcohol use for lower grade levels may be found in Figure 1 attached.) The vast majority of seniors (from 85% to 88%) have had a drink in the past year, and more than two-thirds (from

67% to 72%) have been drinking in just the past month.[1]

Of more concern is the fact that between 5% and 7% of the seniors in each graduating class could be classified as currently being daily or near-daily drinkers (defined as drinking on 20 or more occasions in the past 30 days). But particularly disturbing is the syndrome of heavy party drinking which has become so very prevalent among American teenagers. When asked whether, during the prior two week interval, they had consumed five or more drinks in a row--approximately 40% of each of these ten senior classes said that they had: about 50% of the boys and 30% of the girls. Four in every ten of these students! In fact, roughly 30% of all seniors drank that much at least twice in the prior two weeks and nearly 20% drank that much three or more times. I must say that I have yet to meet an adult who was not shocked by these figures.

Offered fifteen possible reasons for their drinking alcohol, these teenagers most often chose "to have a good time with my friends" followed by "to feel good or get high." The settings most often cited as where drinking takes place are "at a party" followed by "with one or two other people present." Seldom are adults present. In addition, some of these youngsters--particularly the heavier drinkers--drink when they are alone, at school, in cars, at home, and during the daytime hours.

When asked "How much do you think people risk harming themselves (physically, or in other ways) if they take one or two drinks nearly every day?," only about one-fifth of the seniors thought there was "great risk,"--four-fifths did not. Asked the same question about having "five or more drinks once or twice each weekend," the majority--as many as two thirds--thought there was not a "great risk." Even for having "five or more drinks nearly every day," a third thought there was not a "great risk." I think most objective observers would say that many of our young people are underestimating the dangers associated with these patterns of regular alcohol use.

---

[1] Some notion of the current usage statistics for even younger age groups may be gained from the 1982 NIDA-sponsored National Household Survey on Drug Abuse (Miller et al., 1983). There it was found that among 12 or 13 year olds, 10% had used alcohol in just the past month; among 14 to 15 year olds, 23%; and among 16 to 17 year olds, 45%. Overall, between a quarter and a third of all 12 to 17 year olds were classified as "current drinkers," using the criterion of one or more drinks in the prior month. And for methodological reasons, which I will not try to describe here, I think these are conservative estimates. A recent Gallup survey says that 77% of all teenagers aged 13 to 18 have tried alcohol.

One other statistic on alcohol use which I would like to bring to your attention comes from a scientific article currently in press (Johnston and O'Malley, in press). Despite the slight downturn in the overall alcohol prevalence statistics in the last couple of years, which may be observed in Table 1, we are finding that the proportion of seniors who say they are using alcohol for certain psychological coping motives has continued an increase which began at least as far back as when the study did. To be more specific, the proportion of seniors who say that one of their reasons for using alcohol is "to get away from my problems" has risen by half between 1976 and 1984, from 12% to 18% of all seniors. Similarly, the proportion who say they use to deal with anger and frustration has risen from 11% to 16% of all seniors. We find these shifts to be troubling.

When it comes to peer norms regarding alcohol, fully 86% say their friends would disapprove of their taking four or five drinks every day, but only about half say their friends would object to their drinking that much once or twice every weekend. (In fact, roughly 30% say that most or all of their friends "get drunk at least once a week.") From one-quarter to a third say their friends would not object to their having one or two drinks daily. In sum, peer norms are pretty permissive, particularly when it comes to heavy party drinking.

Up to this point I have spoken about drinking in general, without differentiating between the three major classes of alcoholic beverages. But for the purposes of these hearings, these distinctions are important. Table 1 gives selected statistics for beer, wine, and spirits separately for each of the graduating classes under study. Several points are worth noting, the first being that beer accounts for the preponderance of alcohol use in this age group. This fact is particularly relevant when one considers the massive amount of advertising and promotion of beer to which the age group is exposed--particularly on television--and the number of times the imagery of partying with friends is used in it.

Of the daily drinkers in each graduating class, nearly all drink beer daily, whereas only about a third of them drink hard liquor daily, and considerably fewer drink wine daily. The story among the heavy party drinkers is much the same. Nearly all of those who have had five or more drinks in the past two weeks (39% in the Class of 1984) have taken that much beer on at least one of those occasions (36% in the same class) vs. only 21% for hard liquor and 13% for wine.

For all three of these major classes of alcoholic beverages, it appears that there was a gradual increase in most usage measures from 1976 to about 1980 (undoubtedly following on a considerably greater rise in the preceding two decades); and since 1980 there has been a very modest decline in most of the prevalence rates. This coincides by the way with an even greater decline in illicit drug use; and certainly one has to wonder whether alcohol use would not have dropped more in proportion to the illicit drugs, were it not buttressed by a massive advertising campaign. In fact, it is of interest to note that of the three beverage classes, the beer consumption statistics on current (30 day) prevalence of use showed the least absolute and proportionate drops from the peak consumption levels. And only in 1984 did heavy party drinking involving beer begin to show any decline.

I would like to make a few additional remarks on the issue of advertising and promotion. It seems clear to me from our data and from other data in the field that young people today do not have a realistic appreciation of the hazards of drinking, nor do they have peer norms which would help to protect them from those hazards. Hard partying with alcohol is an "in" thing, not only in college age youngsters (where, based on our follow up studies, we know it to be even more prevalent than in the statistics I have given you) but among our children of high school age. While my general impression is that we are just now seeing the beginning of a swing toward more concern and more restrictive norms on this issue among young people, and perhaps among adults as well, we must recognize that the massive and sophisticated advertising campaigns, particularly on television, may do much to blunt this "natural correction."

Like most parents, I cannot help but wince when I see the ubiquitous and very sophisticated beer commercials which extol the comradery, good fun, and self reward which drinking beer can bring. Some commercials have even been very explicit about the right to drink beer being as a sign of achieving adulthood--of being a man. How can the constant barrage of these images year after year help but create the expectations which youngsters develop regarding the appropriateness and pervasiveness of alcohol consumption? How can they help but undercut the development of normative constraints on drinking? How can they help but create the impression that almost everybody who's "with it" is partying down?

I think it would have been possible for the industry to do otherwise, but it has not. And in the competitive marketplace, those with the ethical fibre to constrain their pitch are the ones who lose market share--a fact which makes self-regulation a somewhat hopeless cause. We have seen this in the case of cigarette advertising, where the industry's self-regulation agreement, in its statement of what they will not do in their advertising, pretty well describes exactly what they are doing today. Therefore, if there is to be restraint, it almost certainly must be externally imposed.

One final point about the strong partying image conveyed in so much beer and wine advertising. The concern has been raised among members of the National Advisory Council on Drug Abuse, a body on which I currently serve, that the message in so many of the alcohol commercials--that getting high with your friends can be a lot of fun and is quite an acceptable activity--may well generalize to drugs other than alcohol. After all, one can get high with one's friends on marijuana, uppers, downers, and psychedelics as well as alcohol, and in fact, a lot of youngsters use one or more of these in combination with alcohol when they "party." As long as this powerful imagery of the fun of partying with your friends centered around, or facilitated by, the use of a drug is being conveyed to our young people through alcohol advertising, we are concerned that it will be harder to move youngsters away from using illegal drugs to party, as well. This is not a point often heard, but I believe it is a point worth particular consideration by anyone concerned about the massive epidemic of illegal drug use being experienced by this country, as I know the members of this Subcommittee are.

Thank you for your attention, and I would be pleased to try to answer any questions.

References

Johnston, L.D. and O'Malley, P.M. Why do the nation's students use drugs and alcohol? Self reported reasons from nine national surveys. Journal of Drug Issues, in press.

Johnston, L.D., O'Malley, P.M., and Bachman, J.G. Drugs and American high school students: 1975-1983. (National Institute on Drug Abuse), U.S. Department of Health and Human Services, Publication No. (ADM) 84-1317, 1984.

Miller, J.D. et al., National Survey on Drug Abuse: Main Findings 1982. (National Institute on Drug Abuse), U.S. Department of Health and Human Services, Publication No. (ADM) 83-1263. U.S. Government Printing Office, 1983.

Supporting materials for the testimony of

Lloyd D. Johnston, Ph.D., The University of Michigan

Selected Statistics

from

Ten nationally representative surveys
of High School Seniors
1975-1984

Table 1
Trends in Use of any Alcoholic Beverages, and (Separately) of Beer, Wine, and Hard Liquor
(High School Seniors from 1975-1984)

Alcohol Measure	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Any Alcohol										
Use in Lifetime	90.4	91.9	92.5	93.1	93.0	93.2	92.6	92.8	92.6	92.6
Use in Past 12 Months	84.8	85.7	87.0	87.7	88.1	87.9	87.0	86.8	87.3	86.0
Use in Past 30 Days	68.2	68.3	71.2	72.1	71.8	72.0	70.7	69.7	69.4	67.2
Daily Use	5.7	5.6	6.1	5.7	6.9	6.0	6.0	5.7	5.5	4.8
5 or more drinks in a row in past two weeks	36.8	37.1	39.4	40.3	41.2	41.2	41.4	40.5	40.8	38.7
N	9400	15400	17100	17800	15500	15900	17500	17700	16300	15900
Beer										
Use in Lifetime	NA	86.9	88.1	89.0	88.7	89.3	88.8	88.5	89.1	88.4
Use in Past 12 Months	NA	75.2	77.0	77.0	79.3	78.2	78.0	76.4	78.4	76.7
Use in Past 30 Days	NA	59.8	62.1	62.3	63.7	62.9	62.7	50.3	61.7	59.5
Daily Use	NA	5.8	6.7	6.6	6.8	7.8	6.0	6.8	6.2	5.3
5 or more drinks in a row in past two weeks	NA	33.0	35.1	35.4	36.4	36.6	38.0	37.6	38.1	36.2
N	NA	2585	2662	3162	2830	2801	3168	3052	2754	2693
Wine										
Use in Lifetime	NA	85.4	86.7	87.2	85.4	87.9	86.4	85.8	87.7	85.4
Use in Past 12 Months	NA	67.0	69.0	69.3	68.2	71.4	68.7	68.5	68.8	67.1
Use in Past 30 Days	NA	34.5	37.4	37.6	36.6	39.5	36.6	37.8	36.0	34.1
Daily Use	NA	1.0	1.2	0.8	0.7	0.8	0.7	1.0	0.8	0.7
5 or more drinks in a row in past two weeks	NA	12.5	13.1	13.5	12.9	13.2	12.9	14.9	14.3	13.0
N	NA	2552	2654	3123	2806	2792	3152	3036	2754	2688
Hard Liquor										
Use in Lifetime	NA	79.8	81.3	84.4	82.3	83.7	82.5	83.7	83.8	82.1
Use in Past 12 Months	NA	69.2	69.8	72.4	71.7	73.3	70.7	70.6	72.0	67.6
Use in Past 30 Days	NA	44.2	45.0	48.2	47.3	47.9	44.6	45.2	46.3	42.2
Daily Use	NA	1.7	1.7	1.3	1.9	1.5	1.5	1.8	1.7	1.7
5 or more drinks in a row in past two weeks	NA	19.8	19.9	22.0	22.8	23.0	21.3	23.8	22.0	21.3
N	NA	2563	2662	3139	2798	2786	3148	3025	2747	2701

Note to Table 1: In most years a certain degree of inconsistency is observed when the daily use figures for beer are slightly higher than the daily use figures for all alcoholic beverages combined (of which beer is one component). We have three hypothesized explanations for this anomaly: (1) since questions about beer drinking occasions are asking about a more discretely defined activity, they may prompt a slightly better recall of events, most of which do in fact involve beer; (2) some small percent of respondents fail to consider beer to be an alcoholic beverage, despite our explicit instructions; and (3) respondents may be slightly more careless toward the end of the questionnaire, where the beer questions are located, and the resulting increase in random error would tend to increase measures of relatively "rare events," like daily drinking. If either of the first two hypothese is true, it means that daily use of all alcohol beverages is slightly understated, not that daily beer use is overstated. The third hypothesis would suggest that daily beer use is slightly overstated. None of the explanations significantly alters the points made in the text, however.

Table 2
Trends in Beliefs and Attitudes about Alcohol, Peer Norms, and Exposure to Alcohol Use
(High School Seniors from 1975 to 1984)

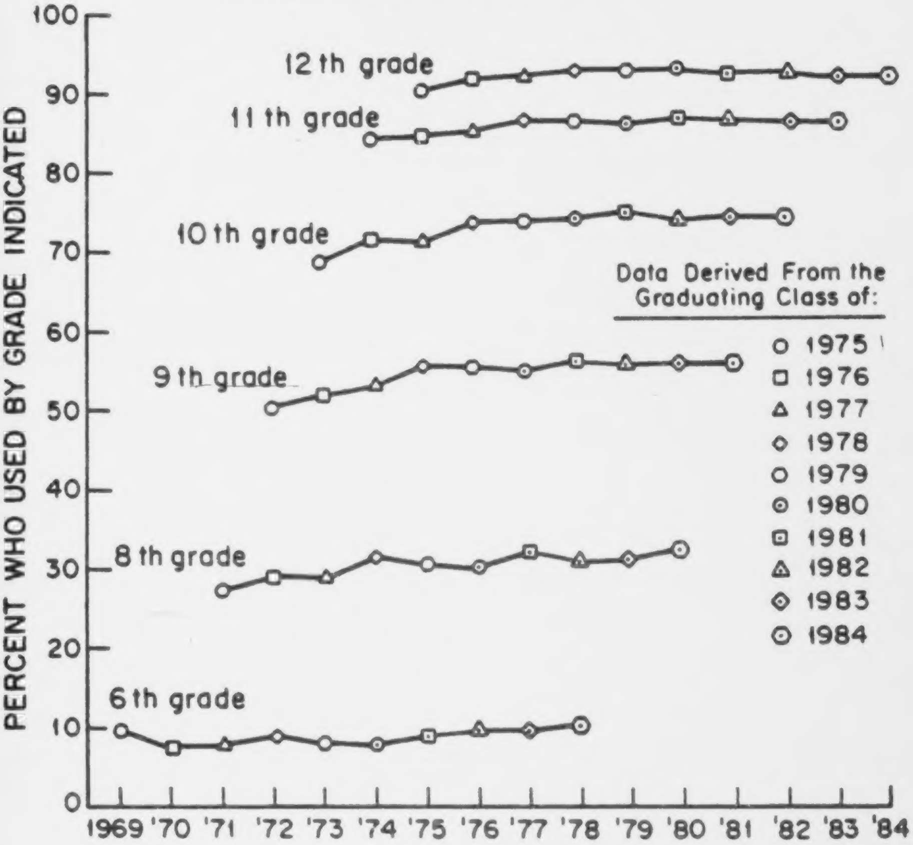
	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Q. How much do you think people risk harming themselves (physically or in other ways), if they										
	Percent saying "great risk"									
Try one or two drinks of an alcoholic beverage (beer, wine, liquor) . .	5.3	4.8	4.1	3.4	4.1	3.8	4.6	3.5	4.2	4.6
Take one or two drinks nearly every day	21.5	21.1	18.5	19.6	22.6	20.3	21.6	21.6	21.6	23.0
Take four or five drinks nearly every day . . .	63.5	61.0	62.9	63.1	66.2	65.7	64.5	65.5	66.8	68.4
Have five or more drinks once or twice each weekend	37.8	37.0	34.7	34.5	34.9	35.9	36.3	36.0	38.6	41.7
Q. Do you disapprove of people (who are 18 or older) doing each of the following? .										
	Percent disapproving									
Try one or two drinks of an alcoholic beverage (beer, wine, liquor) . .	21.6	18.2	15.6	15.6	15.8	16.0	17.2	18.2	18.4	17.4
Take one or two drinks nearly every day	67.6	68.9	66.8	67.7	68.3	69.0	69.1	69.9	68.9	72.9
Take four or five drinks nearly every day	88.7	90.7	88.4	90.2	91.7	90.8	91.8	90.9	90.0	91.0
Have five or more drinks once or twice each weekend	60.3	58.6	57.4	56.2	57.7	55.6	55.5	58.8	56.6	59.6
Q. How do you think your close friends would feel about you										
	Percent saying friends disapprove									
Taking one or two drinks nearly every day	67.2	NA	71.0	NA	71.0	70.5	69.5	71.9	71.7	73.6
Taking four or five drinks nearly every day	89.2	NA	88.1	NA	85.5	87.9	86.4	86.6	86.0	86.1
Having five or more drinks once or twice each weekend	55.0	NA	53.4	NA	51.3	50.6	50.3	51.2	50.6	51.3

Table 2 (Continued)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Q. How many of your friends would you estimate										
	Friends Using									
Drink alcoholic beverages										
% saying none	3.3	4.9	5.6	5.1	4.6	3.9	5.3	4.3	4.5	5.4
% saying most or all . .	68.4	64.7	66.2	68.9	68.5	68.9	67.7	69.7	69.0	66.6
Get drunk at least once a week										
% saying none	17.6	19.3	19.0	18.0	16.7	16.9	18.2	16.9	16.1	18.5
% saying most or all . .	30.1	26.6	27.6	30.2	32.0	30.1	29.4	29.9	31.0	29.6
Q. During the LAST 12 MONTHS how often have you been around people who were taking each of the following to get high or for kicks? . .										
	Exposure to Use									
Alcoholic beverages										
% saying not at all . . .	NA	6.0	5.6	5.5	5.2	5.3	6.0	6.0	6.0	6.0
% saying often	NA	57.1	60.8	60.8	61.2	60.2	61.0	59.3	60.2	58.7
N (Approx.)	2800	3200	3600	3800	3300	3200	3600	3600	3300	3300

FIGURE 1

Alcohol: Trends in Lifetime Prevalence for Earlier Grade Levels
Based on Retrospective Reports from Seniors



Senator **Hawkins**. You were recently quoted in the Wall Street Journal, Mr. Jacobson, as saying that every ad for alcohol is an ad for drinking. "We are concerned with the most innocuous ads and we will not stop until something permanent is obtained."

You heard the testimony here this morning by the panel that preceded you, and I know that your colleague, George Hacker, has also been quoted on January 12, 1985, in the San Francisco Examiner saying: "The real issue is that the liquor industry sells a dangerous product and pushes its sales to endanger the public health."

Do these statements run the risk of suggesting that your campaign goes beyond the issue of alcohol abuse and alcoholism and attacks drinking itself, even in moderation?

Dr. **Jacobson**. No. I think we have no problem with moderate drinking. I could attest that both George and I have a drink now and then. That industry has tried to label some of our organizations as neo-Prohibitionists——

Senator **Hawkins**. I heard the other day "safety Nazis." I do not know if you have heard that. [Laughter.]

Dr. **Jacobson**. Safety Nazis, moral entrepreneurs. I think they resort very quickly to name-calling that I think is completely inappropriate.

All the organizations are genuinely concerned about the massive devastation related to alcohol abuse. It is primarily from the heavy drinkers, though the National Academy of Sciences has pointed out in a study called "Beyond the Shadow of Prohibition" about 3 years ago that light and moderate drinkers account for about half of the damage done by alcohol.

A light or moderate drinker does not get into trouble very often, does not over-drink, does not make a mistake, but there are so many more—ten times more light and moderate drinkers than heavy drinkers that even will contribute to some of the problem.

In general, alcohol problems, according to the World Health Organization, correlate roughly with alcohol consumption. If we want to reduce alcohol problems, alcohol consumption will have to decline.

Senator **Hawkins**. Dr. Atkin, in a study of junior and senior high school students in St. Louis, Prof. Donald Strickland of the Washington University found that alcohol beverage advertising had, at most, a trivial effect upon the students' alcohol consumption. He found no relationship between advertising and problem drinking.

How would you distinguish his work from your own very different findings?

Dr. **Atkin**. I have about a 4-page critique of that study right here in the material I am submitting for the record.

Senator **Hawkins**. Oh, wonderful.

Dr. **Atkin**. But we were using different types of measurement, focusing on different media, using different measures of outcome. For the most part, our research focused on drinking behavior, where he was looking at certain more extreme forms of alcohol abuse, and I think that accounts for a good part of the difference between the studies.

Senator **Hawkins**. For your study, I understand you asked 535 adult drinkers to give the main reasons why they started to drink as teenagers. Two percent mentioned alcohol beverage advertising, but, in contrast, 65 percent cited the influence of friends, and I must say the previous panel said it was the parents' fault.

Does this not suggest that alcohol beverage advertising plays a relatively insignificant role in the decision of people to drink?

Dr. ATKIN. The initial decision to drink, I think, is influenced first and foremost by peers; second, by parents; and I think the media contribution is relatively minor. But the mass media, including advertising, I think, provides a positive inclination to drink that will then make the person more likely to be receptive to social influences that operate in their daily environment.

So it is a difficult job to try to say, well, one thing has cause and effect and another one has not. I think the various factors intertwine together and that the mass media do make a contribution.

Senator HAWKINS. So you would list it as peers, parents and advertising?

Dr. ATKINS. I think if you had to rank order of the influences, but advertising is more readily regulatable than peers and parents. [Laughter.]

Senator HAWKINS. It depends on the parents.

Dr. JACOBSON. If I may add, Senator, the previous panel was saying that they are aiming all of their advertising dollars at the parents, and those are the people who—at adults, anyhow, not necessarily parents—and those are the people whose behavior will be followed by many kids. So there can be a very strong indirect effect, also.

Senator HAWKINS. Yes.

Peggy, what kinds of health messages would you like to see, if you had your wish come true, on radio and TV regarding alcohol?

Ms. SAPP. I think really positive alternatives, showing that you can have a lot of fun without drinking; showing an up side; showing a sophisticated person who turns alcohol down; making it acceptable socially to say no; making teenagers feel good about saying no.

Senator HAWKINS. What about the doctor's testimony that high school seniors more than ever are drinking to help them cope?

Ms. SAPP. I think that is true. Why do we all drink? You know, that is a big question, alcohol is a social lubricant, it gives us the ability to be able to talk to each other. I wonder why are we so afraid to talk to each other. It is a frightening thing.

I wish that all of you could go to some junior high and senior high parties. It is a real experience to see these young people and alcohol is how they cope. Why do they have that kind of pressure?

Senator HAWKINS. I visit with schools each week. I am the only U.S. Senator with a husband in Florida and I commute every weekend, and I usually visit a school, a high school, junior high school.

In December, I toured several of Florida's juvenile detention facilities. Every child that I questioned, why are you in here—No. 1, they had never done anything wrong, of course. [Laughter.]

And after they were admonished by their supervisor, they would say, well, you know, I drank a little and used a little drugs. And then I would say, what did you use first? I always asked that to every kid; why are you here.

They were arrested; that is why they were in the prison. When I asked at what age did you start to use alcohol? I was just shocked by the number that said six, seven, eight, and alcohol was always the substance of first abuse, whether it was in the home or brought by the babysitter.

I mean, it is just frightening to talk to every kid that you could see that entire month across my State that is in a prison. And the only reason that the children were in the rehabilitation centers that I visited, also—the drug rehabilitation and alcohol rehabilitation centers—is because they had been arrested.

I mean, they would say, I would never be here today if I had not been arrested and gone to prison, and the judge gave me a chance to go to this center or back to prison. And that is quite a strong statement, but in each instance every kid said they had started with booze.

And I would try to discern, whether it was beer or hard liquor, and in every instance it was beer. And I discovered that they do not drink a six-pack, as was said earlier. They buy a case and drink it all at one sitting or at one party per person, and then they drink until they fall down, and then mix it with whatever they could find in cabinets and then they are off on their way.

I believe something that we have to talk about is how that arrests their maturation, and most of these children will always be children physically and mentally because it does arrest their development.

Ms. SAPP. It really does, and I think the other thing about the study that we need to think about is how many school dropouts we have in our society. We are only interviewing students that are seniors; we are not interviewing the students in this Michigan study who have already dropped out.

What is the dropout rate? It is very high.

Dr. JOHNSTON. About 15 percent by senior year.

Ms. SAPP. Fifteen percent, and it is not just the kids that are in that situation. It is when your eighth grader says to you, well, why can't I serve wine with dinner when we are going to the junior high hop, or when your daughters are served frozen daiquiris at the home of your friends when they are going to the homecoming party.

We are talking about well-educated, affluent people. This is all across the board. So education is really the key, and I think that parents do not realize the dangers of alcohol. In fact, they will even say, well, I would rather my kid would have beer than marijuana.

So there is a real lack of knowledge on all of our parts, I think, about what alcohol is and what it does to us.

Senator HAWKINS. Well, I appreciate the good work you do with informing parents, and hopefully we can get this message to everybody.

Ms. SAPP. Well, I think there is another point. People are afraid that if they speak out, they are going to lose the cooperation they have had with the media. And I want to tell you the media has been great to us. In Miami, they did $249,000 worth of a media campaign for 1 week. I cannot say enough about how much the media is starting to be able to work with us.

There is even a young man in this room who is planning to help us have a rock concert. So I do not believe that just because we tell our society the story that the media is going to stop working with us. They have worked with us and I hope they will continue to work with us.

Senator HAWKINS. Dr. Johnston, I believe your study is the one we always use now as the only threshold that anyone will accept. The others are inconclusive. Dr. Atkin, yours is always branded as inconclusive by those I discuss it with.

And I do not know that we can get everybody to agree, but the 17,000 students that you have looked at over the years and the statistics you gave us today, and will be giving us, I believe, in the tables, et cetera, that are at the printer—is that where——

Dr. JOHNSTON. No; they are right here.

Senator HAWKINS. You have them. I think they will really help inform this committee and larger groups that despite the lowered alcohol consumption overall that you are finding consumption by high school seniors at an incline.

Dr. JOHNSTON. There is increase in the proportion of youngsters who are using alcohol to help them cope psychologically, yes, and they are among the ones I am most concerned about.

These different patterns of alcohol use carry different kinds of risk. The kids who go out and get smashed at a party may kill themselves or someone else that very night; that is one of the risks. But, also, they may be fooling around with alcoholism in the longer term if they keep doing that.

But the youngsters who may be in the greatest danger of getting into a chronic state of alcoholism are the ones who are increasingly using alcohol to help them cope with their lives. Any kind of psychological prop, it seems to me, has that danger, whether it involves illicit drugs or licit ones.

Senator HAWKINS. Well, illicit drugs are not advertised on television.

Dr. JOHNSTON. Right.

Senator HAWKINS. But if you had seen the sampling of the television commercials here today back to back, would you not conclude, or can you conclude that in order to be acceptable, have a good time, have no problems, that the substances they are advertising, such as beer and wine—maybe you would have a better time if you used it?

Dr. JOHNSTON. Yes, very much so. I think it is a rather powerful image, and one of the points I wanted to make has to do with whether we think advertising has an impact. Where I think a lot of the impact occurs is with relatively small children as they are growing up. They keep getting these images.

They may not be making a decision whether to drink or not until they are 13 or 14, but from the age of 2 or 3 or 4, they are getting these images, and I think it cannot help but have an impact. It defies all common sense and my common sense as a social psychologist to think that it does not.

And, in fact, some of our other data on smoking may be relevant here because in 1971, by congressional mandate—the tobacco industry removed the advertising of cigarettes from all of the electronic media. It is very parellel to what is being proposed here for beer and wine.

And within a couple of years, smoking in the youngest age groups, 13 and 14 years old, started to decline, and we have seen a substantial decline in cigarette smoking among all adolescents today.

So I look for the impact mostly among people who are at the beginning ages of use, whichever of these products we are talking about.

Senator HAWKINS. I have a lot of friends whose children at very young ages were encouraging their parents not to smoke.

Dr. JOHNSTON. Yes.

Senator HAWKINS. So the impression was there, whether the kid had ever tried it or not, that it would be harmful to their parents. So I would say the impression may be as important as the reality.

Dr. JOHNSTON. Right, and there are multiple determinants in any kind of social phenomena, and certainly trends in alcohol or smoking are no exception. I think that smoking went down partly because nonsmokers found their voice in the society and it changed the surrounding norms. But I also think that removing the advertising of tobacco from television and radio probably played a very important role with youngsters.

I do not think most people can tell you that advertising affected their decision to do something. That is not the way advertising works, except in those rare instances where you learn about something you did not know about before and you run out to the store to get it.

Advertising is a slow accretion process and it massages your consciousness and your perception of reality—your attitudes, your beliefs about how many people are doing something, your belief about how acceptable it is to do it and whether it is expected to do it.

It seems to me that that is the kind of effect that advertising has. It is slow, it accrues over years. The impact may be greatest on the youngest age groups, and that is why I think a lot of the efforts to do short-term experiments of a very simple nature have failed to demonstrate very convincingly that there is an impact because it is a very difficult thing to manipulate in experimental designs.

When you have got something that totally pervades the society, how do you manipulate it? Several of the people in the previous panel were talking about a study in Canada by Kohn and Smart. I happened to read that study last night and the manipulation was to show somebody at a shopping center five different ads for alcoholic beverages, not to show the control group those ads—and then to see whether there was any effect in their drinking behavior at a restaurant.

Well, that is not how advertising works. Five ads in one instance is not going to change your attitude, and I would not ever have expected it to. So I do not think it was a test of the real hypothesis that is under question.

So it is a difficult area, but I think there are some data at national levels that indicate that advertising may have played an important role. I am most familiar with it in the smoking area.

For example, Norway terminated all promotion and advertising of cigarettes in 1973. In the decade following, among 15- to 20-year-olds, they had a one-third drop in their smoking rate—a fairly dramatic drop.

We terminated televised and radio advertising in 1971. In the years since then, we have had a quite large proportionate drop. Depending on the age you are looking at, it could be around a third.

It seems to me those are pieces of evidence that are certainly consistent with the notion that advertising had a substantial impact in that case. I have no reason to think it is any different in the case of alcohol.

Senator HAWKINS. If anyone would like that reinforced, I suggest they take their youngest children or grandchildren to the grocery store; absolutely a terrible experience to get in and out in a short period of time. They know the brand, they know the size, they know what the prize is inside. I have never been so educated as by taking 5-year-old twins, our granddaughters, to the grocery store.

You cannot get out. I mean, they get another basket, the two of them, and it is just absolutely impossible. And a 6-year-old is telling me that, if he drinks the beer, he can play football as good as the man that he just watched in the Super Bowl. We do not think that is healthy.

So it is subliminal, and I must say that.

The messages that are given are always positive. You do not feel bad about the product. If you do, they will take it right off. I mean, they test that ad and if you feel bad about that product, you will not see that again.

They want you to feel good about whatever it is, and if you do not, they ought to change advertising agents. So I would say that we have heard testimony from both sides today. It has been a very balanced hearing.

Everyone, whether they are a manufacturer, a marketer, or an advertising agent, is concerned with their children. That does not mean however that the electronic media, which is a second god in America today, does not have a subliminal influence on our teenagers.

And I believe your study is the definitive one that we can point to and talk to as we proceed down this path. There will be many hearings held on the House side. This just happens to be the first hearing held on the Senate side. As I get money for alcohol abuse and alcohol education, we just must pause and see where we are before we go any further.

This is an issue that is of great concern to all Americans.

I am shocked by the number of hours that I am told today in this hearing that young people watch that television; I mean, more time than with their parents, more time than with their teacher. And it has to have some impact. What that is we may only know in the future.

It is a very controversial subject. We do have a lot of first amendment questions that we are going to look at here. Television and radio are media licensed by the Government, and there are some public interest questions that were raised by the previous panel.

The issue rests upon us together. This hearing made possible a record that the Senate can read so that it can act responsibly, based on the facts; nothing emotional said here, except how serious this problem is.

I am a firm believer in getting all of the facts and then making a decision upon the facts, and I thank all of you who came here today and participated in this record. It will help the Senators think and vote more responsibly.

[The following statements mere subsequently supplied for the record:]

The Christian Life Commission

OF THE SOUTHERN BAPTIST CONVENTION
460 JAMES ROBERTSON PARKWAY, NASHVILLE, TENNESSEE 37219
FOY VALENTINE, EXECUTIVE SECRETARY-TREASURER

HARRY N. HOLLIS, JR.
Director of Family and
Special Moral Concerns

February 11, 1985

The Honorable Paula Hawkins
United States Senate
Washington, D.C. 20510

Dear Senator Hawkins:

Attached is a resolution passed by the Southern Baptist Convention meeting in annual session in Kansas City, Missouri, on June 14, 1984. No one can speak for Southern Baptists, but, at the suggestion of one of your staff members, Ms. Susan Mellody, I am sending a statement to be included in the record of your hearing of Thursday, February 7, 1985. I believe that this statement is faithful to the views of many of the fifteen million Southern Baptists in this country. As you know, the Southern Baptist Convention is the largest non-Catholic denomination in America, and there are many in our denomination who have long battled alcohol abuse.

It is my understanding that I will have the opportunity to present testimony at a subsequent hearing that you plan to hold on this issue. I look forward to the opportunity to do so. In the meantime, let me say that I strongly encourage you to work for legislation that will indeed ban the broadcast advertising of alcoholic beverages. This legislation, I believe, is long overdue in our nation. Too many people have suffered for too long and I trust that you will work with others in the Congress to correct this major national problem.

Thank you very much for your attention to the attached materials.

Sincerely yours,

Harry N. Hollis, Jr.

HNH:bcm
Enclosures

Urgent Unfinished Business:
The Banning of Broadcast Advertising of Alcoholic Beverages

The nation faces a monumental social crisis -- the abuse of alcohol. And one of the major contributors to this crisis is the broadcast advertising of alcoholic beverages.

What must prevail in the debate about this issue is common sense. Indeed, it is common sense that has always guided the American people and the Congress through such major crises as the alcohol abuse epidemic.

All sides can cite studies on this subject.

What is needed in addition to responsible studies is the prevailing of common sense. And I believe common sense can lead to only one conclusion: If advertisers pay millions of dollars to buy ads, they must do so because they know that the ads will shape attitudes about alcoholic beverages and motivate many people to buy alcoholic beverages.

The tragedy is that many of those whose attitudes are being shaped are children and young people. And many adults who are already alcohol abusers are being influenced to buy more alcoholic beverages. For the sake of these people, for the sake of the health of our society, we can no longer tolerate the slick, clever and thus all the more dangerous ads for alcoholic beverages on radio and television.

Banning broadcast ads for alcoholic beverages is a commonsense necessity. It is one of the great pieces of unfinished business essential to maintain the health of our society. It is not a partisan issue; it is a survival-of-society issue.

Public service spots are welcome and do some good, no doubt. But the far greater frequency of alcoholic beverage ads means they do far more harm and thus undercut the spots that the industry and the networks are now producing.

To keep misleading youth with glamorous ads of beautiful people prospering through the use of alcoholic beverages is to practice a kind of systematic child abuse. It calls for immediate corrective action.

Southern Baptists throughout the nation have joined many other citizens in calling for major attention to combatting alcohol abuse. The banning of the ads for broadcast advertising of alcoholic beverages is one of the major ways to combat this abuse.

We cannot reclaim those whose lives have been lost and whose families have been shattered by drunk driving. We cannot undo much of the damage that has been done by the epidemic of teenage alcohol abuse. We cannot completely change the damage of the daily brainwashing of children by the ads that have already appeared. There is much damage that cannot be undone. But by acting now to prevent further abuse, we can bring health where there is now sickness and productivity where there is now destruction.

Broadcasters can keep functioning without alcoholic beverage ad revenues. The question is whether the nation can afford to keep educating, in reality miseducating, youth and adults with the glorification of alcoholic beverages. We cannot afford it. We should not afford it. And with the help of concerned citizens, we will not tolerate it.

For the sake of the health and vitality of our society, I urge you, and I know that millions of Southern Baptists would join me in urging you, to pass legislation that will ban the broadcast advertising of alcoholic beverages.

Resolution No. 7 — On Alcohol, Drunk Driving, and the Minimum Drinking Age

WHEREAS, The use of alcohol as a beverage continues to be the number one drug problem in the United States, with one out of every three American families experiencing severe problems related to alcohol use; and

WHEREAS, The use of alcohol is a leading cause of death in this country, and

WHEREAS, Drunk driving alone caused up to 22,000 deaths and 650,000 injuries last year, being the number one cause of death for Americans under age 35; and

WHEREAS, the alcohol industry spends over one billion dollars per year hawking its wares, with many of its advertisements aimed specifically at young people and at those who are already heavy drinkers; and

WHEREAS, A number of state legislatures and the U.S. Congress are currently discussing whether to raise the legal minimum drinking age to 21, a measure which has saved a significant number of lives in states where already adopted.

Therefore, be it *Resolved*, That we, the messengers of the Southern Baptist Convention meeting in Kansas City, Missouri, June 12-14, 1984, affirm our steadfast opposition to the use of intoxicating drinks as a beverage; and

Be it further *Resolved*, That we urge Southern Baptist families and churches to work tirelessly and uncompromisingly to educate children, young people, and adults concerning the nature and consequences of alcohol use, pointing them toward a responsible Christian life style of abstinence from alcohol and all other mind-altering drugs; and

Be it further *Resolved*, That we call upon Southern Baptists to minister faithfully to those individuals and families who suffer from the devastating effects of alcohol abuse; and

Be it further *Resolved*, That we urge Southern Baptists in every state to involve themselves as citizens in supporting stringent laws to deter drinking and driving, and to ensure swift and certain punishment of those who do drink and drive; and

Be it further *Resolved*, That we call upon the Federal Trade Commission to use its existing authority to ban alcohol advertisements in the broadcast media, especially advertising during athletic contests, as injurious to the health of the nation and to regulate strictly any advertising of alcoholic beverages in other media, and that this Convention urge Congress to put warning labels on all alcoholic beverage containers as Congress has done on tobacco and especially cigarettes; and

Be it further *Resolved*, That we support wholeheartedly the establishment of a minimum national drinking age of 21, and that a telegram be sent to the Reagan administration expressing appreciation for its position in signing legislation withholding federal highway support of states not raising the legal drinking age to twenty-one; and

Be it finally *Resolved*, that we commend those Baptist state conventions, associations, and churches which labor earnestly and effectively to oppose the extension of liquor interests, and call Southern Baptists to an exemplary Christian lifestyle of abstinence from beverage alcohol and all other harmful drugs.

Testimony for the Record

Subcommittee on Alcoholism and Narcotics
United States Senate

Hearings on Advertising of Alcoholic Beverages on Radio and Television

Honorable Paula Hawkins, presiding

February 7, 1985

By: Augustus H. Hewlett, President
Alcohol Policy Council, Inc.
P.O. Box 148
Waterford, VA 22190
(703) 882-3933

I am Augustus H. Hewlett, President of the Alcohol Policy Council.

As one who has spent more than 25 years in leadership positions in the field of alcoholism, I am deeply concerned about the growing trend in the United States to blame alcohol itself for what is clearly a human problem. Mark Keller, an internationally renowned scholar, presents an eloquent and compelling case that throughout 4,000 years of history, it is religion and social custom not law which determine any society's stance concerning alcohol consumption or abstinence. A published recent interview with him by the U.S. Journal on Drug and Alcohol Dependence is attached.

Alcoholism and alcohol misuse are in the person -- not the bottle. This concept, which gained in social acceptance from the inception of Alcoholics Anonymous in 1935 through the late 1970s, allowed for this nation to make outstanding advancements in reducing its complex alcohol related problems. Some of these advancements are enumerated in the attached proposed concept paper developed for a Justice Department sponsored workshop on Alcohol Policy and the Media held in October, 1984.

Now, this concept is threatened by the many negative proposals today which point an accusing finger toward alcohol. It is easy to see how this could reinstate the stigma on alcoholic people, i.e., "They are no different from anyone else -- they just drink more -- are more irresponsible," etc. If implemented, these proposals could severely set back the oustanding advancements to date in dealing with the complex problems related to alcohol misuse in the United States.

There is a recently emerged self-proclaimed "new Temperance Movement." The proponents are calling for a wide variety of harsh legal restrictions aimed at all beverages containing alcohol along with the producers, distributors, sellers and consumers of these products. The banning of beer and wine advertising from radio and television, or counter-advertising warnings of the consequences of consumption constitute but one of many such negative proposals advocated by "new temperance" followers.

There is no empirical evidence that such measures will work in the effort to reduce alcohol related problems. On the contrary, there is ample evidence that these proposals, when tried, have failed. Not only have harsh restrictions not worked, they have created and exacerbated many other social problems. They have been counter productive. Fourteen years of national prohibition which ended in 1933 is a prime example. Historically in the United States, the more restrictive the alcohol controls have been, and the more people affected by the controls, the more profound have been their failures.

More recently, and specifically relevant to this hearing, as the American Council on Science and Health has documented, while the Canadian province of Saskatchewan prohibits all advertising of distilled spirits and Ontario does not, the increase in consumption of alcohol in Saskatchewan in the early 1970s tripled that of Ontario.

There is no advertising of alcoholic beverages in the Soviet Union where prices for distilled spirits and other alcoholic beverages are very high. Vladimir Treml, economist at Duke University, has documented that 40,000 deaths were attributed to alcohol poisonings in the USSR for the year 1976 -- because of the illicit samagon, the Russian "moonshine" --- a rate approximately 80 times greater than that of the United States where fewer than 400 deaths were reported for this cause in the same year.

Since 1981 there has been a continuing decline in the major indices for measuring alcohol related problems in the United States. This is true for cirrhosis rates in addition to driving while intoxicated, adolescent alcohol misuse, etc. During the same period, beer and wine television and radio advertising has increased markedly.

There is good reason to surmise that the downward trend in the nation's alcohol related problem matrix will continue in the years ahead just as other social problems such as the crime rate are declining.

As the attached background paper points out, the educational approach toward the reduction of alcohol related problems has served this nation well. It can and should be allowed to continue. Harsh controls such as the banning of beer and wine advertising will serve only to send yet another negative message to the public and to reinfoce the "forbidden fruit" syndrome and other unhealthy perceptions by the public which are likely to result in more rather than less social problems.

Attachments:

1) Mark Keller interview, U.S. Journal on Drug & Alcohol Dependence, January 1985.

2) Proposed concept paper developed for the workshop on Alcohol Policy and The Media, October 1984.

3) Summary Background developed for the workshop on Alcohol Policy and The Media, October 1984.

ASSOCIATION OF NATIONAL ADVERTISERS, INC. POSITION STATEMENT ON WINE AND BEER TELEVISION AND RADIO ADVERTISING LEGISLATION

The Association of National Advertisers, Inc. ("A.N.A.") is a not-for-profit corporate trade association, organized and existing under the laws of the State of New York, with offices at 155 East 44th Street, New York, New York 10017. It is composed of approximately 400 companies, with over 2,000 subsidiaries and divisions (many of which are relatively independent advertiser entities), located throughout the United States. They sell a wide range of products and services and employ advertising as an important element of their marketing and public relations programs. Although A.N.A.'s membership includes many of the nation's largest advertisers, it also comprises a large number of smaller ones. Approximately one-third of A.N.A. members spend under $5 million annually for advertising. A.N.A. members collectively account for over two-thirds of all national and regional advertising expenditures in the United States.

It has always been a fundamental policy of A.N.A. to defend against abridgment or erosion of advertisers' right to advertise truthfully any product or service that can lawfully be sold. With specific respect to alcohol beverages, A.N.A. has presented testimony and/or written statements to that effect as long ago as the 1950s: to the Senate Committee on Interstate and Foreign Commerce in January, 1950 (S.1847), 1952 (S.2444) and 1958 (S.582); and to the House of Representatives Committee on Interstate and Foreign Commerce in May, 1954 (H.R.1227) and February, 1956 (H.R.4627).

For virtually a decade that policy has enjoyed constitutional recognition and backing, subject only to a narrowly confined exception (Central Hudson Gas & Electric Corporation v. Public Service Commission of New York, 447 U.S. 557, at page 564), which we shall now discuss with respect to its application to truthful advertising of wine and beer.

The three tests which all must be passed before abridging legislation can be constitutional are concisely stated by the Central Hudson court:

> If the communication [the advertising] is neither misleading nor related to unlawful activity, the government's power [to restrict] is more circumscribed. The State must assert a substantial interest to be achieved by restrictions on commercial

> speech. Moreover, the regulatory technique must be in proportion to that interest. The limitation of expression must be designed carefully to achieve the State's goal. Compliance with this requirement may be measured by two criteria. First, the restriction must directly advance the state interest involved; the regulation may not be sustained if it provides only ineffective or remote support for the government's purpose. Second, if the governmental interest could be served as well by a more limited restriction on commercial speech, the excessive restrictions cannot survive. (Ibid.)

We unreservedly agree that asserted goals of reducing drunk driving and alcoholism are substantial governmental interests. But we strongly disagree that banning advertising, or collaterally restricting it by the device of imposing such counter-obligations upon advertisers or media as will make its costs more than it is worth, will directly advance those interests. It has not been shown that it is advertising of wine or beer that causes either drunk driving or alcoholism.

We shall not here burden the record with needless repetition of data - others will provide them - showing that per capita alcohol consumption and alcoholism are as prevalent, and sometimes even more so, in countries and jurisdictions that allow no advertising for alcohol beverages. Or learned publications showing how data cited to support legislative abridgment of alcohol beverage advertising fail to do so; or that they, plus other data, point to the opposite conclusion.

Even increased consumption of wine and beer, if it exists due to advertising rather than to larger population, or higher personal spendable income, or changing social preferences (less demand for spirits and more for wine and beer), or a host of other possible factors, would not be tantamount to increased alcoholism or drunk driving. By far the greater proportion of wine and beer consumers are the social drinkers who are not alcoholics or drunken drivers. Increasing the ranks of such consumers might well produce higher consumption statistics without evidencing a causal relationship to alcoholism and drunk driving.

And, those consumers whose psychological or physical abnormalities are imperatives to alcoholism or over-indulgence before driving are not going to be inhibited by an absence of wine and beer advertising from the airwaves. As long as the beverages are purchasable and at hand, consumers will drink them to the level their natures impel.

Proponents of abridging or hobbling laws may contend that data and arguments cited by opponents don't prove the negatives. That's not the point though - even if they were correct. The burden of proof is firmly on the proponents. "The party seeking to uphold a restriction on commercial speech carries the burden of proving it." Bolger v. Youngs Drug Products Corp., 103 S. Ct. 2875 at 2882 n.20 (1983) (citing Central Hudson, 557 U.S. at 570). One need only read the Supreme Court's fine-toothed combing, and consequent rejection, of the government's assertions of substantial interests, and of their direct advancement by General Bolger's restrictions upon Youngs' advertising, to appreciate how heavy that burden of proof is and that mere conclusory rhetoric, intuition or emotionalism will not fulfill it.

Finally, there are a variety of alternate measures that are available against drunk driving and alcoholism that are less restrictive - indeed, not at all restrictive - upon commercial speech itself. Raising the drinking age, imposing harsher penalties for selling or imbibing in violation of such age limitations, and for drunken driving, are some examples. They can be augmented by stepping up traffic, bar and store checks to intensify enforcement. Educational and remedial programs on a national (e.g., within the armed services and at Veterans Hospitals) and community (health centers, hospitals, high schools and state and city colleges, analogs of Alcoholics Annonymous) to prevent and treat alcoholism are other feasible approaches. Such measures may not, certainly will not, be completely effective; but neither, and even less so, would be elimination of radio and television advertising for wine and beer. And that would violate the First Amendment, where the alternatives would not.

The cases upholding state restrictions upon alcohol beverage advertising (e.g., Dunagin v. City of Oxford, Miss., 718 F.2d 738 (5th Cir. 1983)(en banc); Oklahoma Telecasters Ass'n. v. Crisp, 699 F.2d 490 (10th Cir.), cert. granted sub nom. Capital Cities Cable, Inc. v. Crisp, 104 S. Ct. 66 (1983)) are not in point where federal legislation is involved. A strongly militating, if not pivotal, factor in the state cases has been the Twenty-First Amendment, which has provoked a balancing process between it and the First Amendment. No such impact and balancing pertains for federal legislation, for the Twenty-First Amendment does nothing to increase the federal establishment's constitutional power versus the First Amendment. (For a general discussion of the state decisions see Note, Liquor Advertising: Resolving The Clash Between The First And Twenty-First Amendments, 59 New York U. Law Rev. 157 (1984)).

In short, total banning by the federal government of wine and beer television and radio advertising, or impeding it through burdensome counter-requirements, cannot meet the tests essential to constitutionality.

Respectfully submitted,

Dated: February 7, 1985

ASSOCIATION OF NATIONAL
ADVERTISERS, INC.

By: DeWitt F. Helm, Jr.
DeWitt F. Helm, Jr.
President

Gilbert H. Weil
General Counsel

Statement of
The Church of Jesus Christ of Latter-day Saints
on
Advertising of Alcoholic Beverages

Many authorities, including the U.S. Public Health Service and the Secretary of Health and Human Services in their most recent reports to the Congress, have recognized that alcohol is the most widely used and abused drug in America. It is ironic that there are restrictions on advertising and marketing of most drugs but none to discourage consumption of alcohol, where in excess of $1 billion is spent annually on advertising heavily directed at youth.

Since the alcohol and advertising industries have not been able to institute adequate self-regulation, many citizens and organizations are now proposing restrictions on alcohol advertising.

Our youth, America's greatest national asset, are the hope and future of this great country. They deserve our best efforts to protect them from drug abuse. Existing scientific evidence of the far-reaching harmful effects of alcohol abuse requires that the public interest be protected by measures to restrict the excessive advertising of this tragically abused drug.

The Church of Jesus Christ of Latter-day Saints joins with others calling for a ban or stringent curtailment of alcohol advertising on all media.

NRBA

February 15, 1985

The Honorable Paula Hawkins
Chairman
Subcommittee of the Senate Labor and
Human Resources Committee
SH-637 Harte Senate Office Bldg.
Washington, D.C. 20510

Dear Chairman Hawkins:

Regretably we were not invited to testify at the February 7th anti-alcohol abuse hearings before your subcommittee, but we appreciate the opportunity to submit the attached comments to be made part of the record of this proceeding.

We commend your vigorous efforts to stimulate dialogue and discussion on one of America's most serious and complex problems and we pledge our full support.

We look forward to working with your staff, and we hope to have the opportunity of testifying in much greater detail at future hearings.

Sincerely,

Abe J. Voron

Abe J. Voron
Senior Vice President

heg

The National Radio Broadcasters Association, a trade organization representing more than 2000 radio stations in all 50 states, submits these comments as part of the record in the hearings held on February 7, 1985 by the Alcoholism and Drug Abuse Subcommittee of the Senate Labor and Human Resources Committee.

This country has an alcohol abuse problem, and responsible, thoughtful individuals and institutions, public and private, are united in combating its causes and effects. NRBA's members, for the most part small, independent businesses whose destinies are closely tied to the communities they serve, are proud of their longstanding public service activities to curb alcohol abuse. This is by no means a latter day phenomenon in radio broadcasting, nor is it a hidden effort which reaches only late night or eary morning listeners. Radio's campaign against alcohol problems is not a futile exercise in social engineering, rather, it is nothing more or less than a full blown, all out effort by the radio broadcasting community to educate the listening public on the hazards of alcohol abuse and drunk driving through public service messages, public affairs programming and related promotional activities devoted to heightening public awareness of the problem at hand,

Attached are the results of a recent national study conducted by NRBA which, for the first time, quantifies and delineates the massive anti-alcohol abuse effort being made by America's radio broadcasters.

NRBA respectfully submits that public education concerning alcohol abuse is not the same thing as public deprivation of commercial information related to alcoholic beverage products. Indeed, we are here contrasting positive and negative approaches to achieve the same end. In the latter case, however, the proponents of an advertising ban are saddled with several infirmities, among these: (a) there is a lack of scientific correlation between alcoholic beverage advertising and alcohol abuse and (b) advertising bans in other countries have, without exception, failed to curb alcohol abuse.

NRBA's basic message to this distinguished subcommittee is simply that radio broadcasters have been in the forefront in educating their audiences on the problems of alcohol abuse and drunk driving. The Association believes its major premise is well documented by the survey findings attached.

NRBA members' commitment to their local communites and listener constituencies is at once public and highly personal. In this unique setting, irresponsible advertising and those who would foster it cannot long survive. In the situation at hand, NRBA respectfully submits that the public service of radio broadcasters is a more direct and effective approach to the problem than the discredited solution offered by an advertising ban. Further, NRBA believes that it is inherently wrong to prohibit the advertising of a lawful product which is enjoyed by millions of Americans in moderation.

For the foregoing reasons, NRBA respectfully urges this subcommittee to reject the well meaning but misguided effort to prohibit the advertising of alcoholic beverages on radio and television.

Respectfully submitted,

Abe J. Voron

Abe J. Voron
Senior Vice President

heg

NRBA ALCOHOL-RELATED PUBLIC SERVICE SURVEY

January, 1985

The NRBA has just concluded an extensive nationwide survey of radio stations to determine the extent of public service announcements, programming, and promotions contributed by radio in addressing the critical issues surrounding alcohol-abuse and drunk driving. The results of this survey quantify radio broadcasters affirmative efforts in informing and educating the public on the matter.

The survey was sent to a random sample base of 4,000 General Managers across the country broken out by top 100, 101+, and non-metro markets. There was a 20% response rate of surveys returned with an usable survey in-tab of 83%. The results were cross-indexed and tabulated by market size in quantifying the national averages and total. Broadcasters were asked to estimate the average number of alcohol-related PSA's per week, public affairs programming and on air and off-air promotions during the past 12 months. They were asked to give a specific percentage breakout by daypart as well as calculate the total commercial value of time used.

Although the NRBA has each of these results calculated by top 100, 101+ and non-metro markets, for the purpose of this report, the national averages of all stations have been used.

98% of all stations surveyed had run public service announcements in the past 12 months on alcohol-abuse or drunk driving. They ran an average of 24 spots per week with 26% of the PSA's running in drive-time, 24% in mid-day, 25% at night and 25% on weekends. This was cross-tabulated to the total number of PSA's run on any subject over this last 12 months representing 19% which were alcohol related. The total commercial value of PSA's which were alcohol-related was $97,901,249.

59% of all stations surveyed ran an average of 3 hours per month in alcohol-related public-service programming. They ran these programs 25% in drive-time, 24% mid-day, 11% at night and 37% on weekends. The total commercial value of alcohol-related programming on radio the past 12 months was $19,915,150.

In alcohol-related promotions, 22% of the stations surveyed provided an average of 91 hours on-air and 41 hours off-air in the past 12 months. The total commercial value of on-air promotions the past 12 months was $11,055,519.

The total commercial value of all public service announcements, programming, and promotions by radio in the past 12 months on alcohol-abuse and drunk driving was $128,871,918.

In addition to this data, many stations sent press releases, sample tapes, bumper stickers, and promotion ideas along with their survey.

For example, KZ-103, in Tupelo, Mississippi, ran a promotion in conjunction with area lounges and restaurants over the holidays by haveing "designated drivers" in a group who would only accept soft drinks during their nights out. They wore "designated driver" KZ-103 stickers.

WDSM Radio, Duluth, MN, gave out pocket calendars with specific "6 steps you can take to prevent drunk driving." These included: 1) Know the Facts, 2) Decide for Yourself, 3) Set an Example, 4) Be a responsible Host, 5) Support Laws, and 6) Drive Defensively. They even included a body weight and number of drinks alcohol concentration scale.

Many stations like KWOS and KJMO, Jefferson City, ran a "Free Ride Home" promotion in conjunction with the Jefferson City Jaycees, the Yellow Cab Company, and the City Police. Three numbers were available to call for a free ride 24 hours a day.

WTQR, Winston-Salem; WHLY, Orlando; and WHTT, Boston, were just a few of the stations that ran promotions or campaigns in cooperation with MADD (Mothers Against Drunk Driving) and/or SADD (Students Against Drunk Driving). These have ranged from "free rides" promotions to educational programs to awareness campaigns. Each time, the radio stations were the instrumental vehicle in supplying air time, people, and money to combat alcohol-abuse and drunk driving. WYSP, Philadelphia, was even involved in helping to establish a MADD chapter for that city.

This NRBA survey clearly demonstrates RADIO's responsive and responsible voluntary actions in addressing the problems of alcohol-abuse and drunk driving. We applaud radio's past efforts and encourage future commitment in continuing a higher level of sensitivity and action on this and other community concerns and problems.

NRBA ALCOHOL-RELATED PUBLIC SERVICE SURVEY

January, 1985

A. PSA Campaigns

1) Average number of alcohol-related PSA's per week:

Top 100	100+	Non-Metro	National Avg.
23.6	26.5	23.6	24.2

2) Schedule (percentage of total alcohol-related spots):
Drive time___% Midday___% Night___% Weekend___%

Top 100- 25.7 22.6 25.0 26.7
101 + - 25.1 23.2 26.7 24.6
Non-Metro- 25.6 25.8 23.5 25.1
National Avg.- 25.5 23.9 25.1 25.5

3) Total number of alcohol-related PSA's in the last 12 months:

Top 100	101 +	Non-Metro	National Avg.
706.4	812.4	834.6	797.9

4) Total commercial value of alcohol-related PSA time in the last 12 months.

Top 100	101+	Non-Metro	National Avg.
$23,482	$11,854	$6,342	$11,564

5) Of all PSA;s on any subject, % which are alcohol related:

Top 100	101+	Non-Metro	National Avg.
19.2%	19.2%	19.4%	19.3%

B. Public Affairs Programming

1) Average hours of alcohol-related programming per month:

Top 100	100+	Non-Metro	National Avg.
4.0	1.4	2.9	2.9

2) Schedule (percent o total alcohol-related programs):
Drive time___% Midday___% Night___% Weekend___%

Top 100 - 15.0 20.1 10.9 50.0
101+ - 25.0 16.1 15.6 41.8
Non-Metro - 34.5 36.9 6.7 21.1
National Avg. - 24.8 24.4 11.0 37.4

3) Total hours of alcohol-related programming in the last 12 months:

Top 100	100+	Non-Metro	National Avg.
46.9	20.1	21.4	27.9

4) Total commercial viaue of hours of alcohol-related programming in the last 12 months:

Top 100	101+	Non-metro	National Avg.
$6,058	$3,986	$1,993	$3,346

C. Promotions

1) Total on-air hours of alcohol-related promotions:

Top 100	101+	Non-metro	National Avg.
18.4	27.3	17.9	21.2

2) Total commercial value of on-air hours of alcohol-related promotions in the last 12 months:

Top 100	101+	Non-Metro	National Avg.
$12,204	$3,789	$2,850	$6,003

3) Total off-air hours of alcohol-related promotions:

Top 100	100+	Non-Metro	National Avg.
51.0	21.5	49.1	41.2

D. Total Commercial Value of all Alcohol-related PSA's Programming & Promotions Last 12 Months

Top 100	100+	Non-Metro	National Avg.
$63,617,474	$28,814,537	$36,440,107	$128,871,918

WASHINGTON
UNIVERSITY
IN ST. LOUIS

Social Science Institute
Marvin J. Cummins, Director
David J. Pittman, Research Director
Donald E. Strickland, Asst. Director

Senator Paula Hawkins
Chair
Subcommittee on Alcoholism and Drug Abuse
Committee on Labor and Human Resources
United States Senate

February 13, 1985

Dear Senator Hawkins:

As one who is deeply concerned with the tragic personal and societal costs of alcohol abuse and as a scholar in the alcohol studies field with considerable research experience on the topic of alcohol advertising, I am submitting this statement to you and the Subcommittee in hopes of adding to the rational dialogue on this vital issue. In addition, as one who attended the recent Hearing of your Subcommittee on February 7th and one whose work was cited by several participants in that Hearing, I feel this is a particularly special opportunity for me to express some of my views. This statement is motivated most importantly by my belief, shared no doubt by you and your fellow members of the Subcommittee, that effective public policy for combatting alcohol misuse and alcohol problems must reflect the results of relevant scientific research which informs the various policy options.

Often in the emotionalism of debates over the wisdom of banning alcohol advertising, little wisdom is expressed on either side of the issue. Clearly, this situation applies as well to the more particular debates over the scientific evidence on the relationship between advertising and alcohol problems. Several critical distinctions appear too often blurred in the discourse surrounding the assessment of the empirical evidence. First, the preponderance of available scientific evidence finds little or no effect of alcohol advertising on individual levels of consumption or, more importantly, on the problems attendant to the abusive consumption of alcohol beverages. This evidence comes from a variety of different types of research (e.g., studies of aggregate/per capita alcohol beverage sales and aggregate/per capita expenditures on alcohol advertising, studies of the effects of bans on alcohol advertising in several different media, and individual level studies of exposure to alcohol advertising and alcohol consumption patterns); from scientists in many different scientific disciplines; from studies employing different conceptual and methodological frameworks; and from research supported by government, industry, and non-profit sources.

Yet this weight of evidence of no effect (i.e. on the amount consumed and on abusive use) is often confused with the notion that the scientific research provides no evidence. Part of the problem is semantic, part of it political. The truth of the matter is that the cumulating weight of scientific evidence, especially over the past eight years when more research attention has been devoted to the issue, does provide a relatively consistent set of findings of no effect. The situaion has changed greatly since the Hathaway Hearings in 1976 when, quite literally, no evidence was presented. For rational discourse to take place on this issue, the evidence of no effect, which is the consistent thread of findings running through most scientific work, must be distinguished from the situation of no evidence.

Secondly, an additional problem exists which unfortunately refocusses the debate in a narrow and misleading direction: namely, the tendency for opponents and proponents of an advertising ban to argue singularly on the basis of my research in the area or on Dr. Charles Atkin's work. This tendency to engage in the debate by simply contrasting the findings from our two studies fails to situate these two studies within the larger context of all of the other scientific research which exists. Thus, the appearance that Dr. Atkin's work would suggest the effectiveness of a ban whereas my research would suggest the opposite is misleading in two ways. First, such a contrast simply ignores the preponderance of evidence from the other studies (which is consistent with my own research findings) and gives the quite misleading appearance of somewhat balanced scientific evidence in the simple contrast of two studies. And, secondly the methodological problems inherent in the research of Drs. Atkin and Block, which has been detailed by scientists within the academic community and within the government agencies supporting the research, have demonstrated that the findings from their study are a very weak counter-point to the consistent findings of no effect from other research studies. Narrowing the focus of the debate in this manner leads to a substantial misrepresentation of the scientific evidence.

At one point in the Hearing, it was suggested that the Atkin and Block study was the only one available to the Subcommittee on the issue. I am sure that the extensive literature review which Federal Trade Commission Chairman James C. Miller III will be submitting will provide a comprehensive survey of the available research evidence and reference the relevant studies. As a small part of the effort to bring to the attention of the Subcommittee the various studies relevant to the effects of advertising, I have included an Attachment to this statement which contains several published research articles from my own research. In addition to these primary sources for your reference, several of the articles contain references to and summaries of other research focussed on alcohol advertising. I do hope these will be helpful to the Subcommittee in its attempt to assemble all of the relevant scholarly research.

In addition to the issues above, debates over such serious and emotionally charged issues as alcohol use and misuse, advertising of alcohol beverages, and the link between the two, often lead to misstatements and misinterpretations in the oral statements. During Dr. Jacobson's remarks, he gave the impression that studies cited by the anti-ban witnesses were industry sponsored. Such a position is not supported by the facts nor is the innuendo involved of much credibility. In the first place, most of the scientific research which finds little or no relationship between advertising and alcohol consumption behaviors is not supported by the alcohol beverage industry. One very important example should suffice to demonstrate the independence of many researchers from industry sources of funding. A series of studies, each involving Dr. Reginald Smart as one of the investigators, has examined both the effects of bans on alcohol advertising in two Canadian provinces and the effects of exposure to advertising on individual consumption. The researchers' affiliations are with the prestigious, and government funded, Canadian Addiction Research Foundation in Toronto. As with these studies, even a casual reading of the affiliations and supporting agencies of the many investigators who have conducted research in this field would demonstrate the falsity of such a position.

Certainly, in the case of my own research, some research support has come from industry sources in the way of grants to Washington University. Yet non-industry sources have also been involved in supporting part of my research. But the larger issue is the innuendo of the bias of findings due to sponsorship. One has two compelling lines of defense when put in a defensive position by unsupported and irresponsible innuendo: the personal and professional integrity of the researcher and the peer review system used by the most prestigious scientific journals to assess the quality of the scholarship submitted. On the first matter, my academic reputation in this field and other substantive areas of research will speak for itself; on the second matter, my work has been accepted by some of the leading peer reviewed journals as meeting their highest standards of scholarship. I suggest as well that these are the characteristics of many of the respected researchers in this area, regardless of the nature of their findings or their position on the proposed policy of banning alcohol advertising.

Indeed, the sponsorship of the research does not, per se, prevent responsible researchers and policy-makers from very different perspectives from using the results of research as one basis for suggesting public policy. In a June 1984 working paper prepared for the World Health Organization's European Regional Office entitled "Preventing Alcohol-Related Problems Amongst Young People," Mr. Marcus Grant, Senior Scientist, Division of Mental Health, World Health Organization, reviews the findings from research which focussed on advertising and teenage consumption in North America. In one summary he states that the "studies suggest that advertising is unlikely to recruit drinkers from those young people who are non-drinkers" (p.14). On the basis of his analysis of my own research, which finds virtually no impact of advertising on consumption among youth, Mr. Grant similarly states, "This suggests that changes in advertising alone would have very little direct impact on young people's drinking" (p.14). Finally, a reading of the research evidence on the relationship between advertising exposure and certain kinds of problem drinking led Mr. Grant to suggest that "...advertisements might actually inhibit alcohol misuse, by reinforcing and encouraging norms of moderate, social drinking" (p.15). The quality of the research, not its sponsoring aegis, is the determinant of its utility.

Although the experience in several countries in which the effects of advertising bans have been scientifically assessed would suggest that these bans have had virtually no impact on consumption, statements during the recent Hearing occasionally made vague and oblique reference to recent experiences in two Scandinavian countries, Sweden and Norway. There is simply no scientific evidence available to date that the advertising bans in these two countries have affected level of consumption or excessive consumption. In the case of Sweden it must be born in mind that, in addition to the advertising ban, nummerous policies were introduced which focussed more particularly on alcohol problems and abusive consumption behaviors and, thus, any inference regarding the role of advertising in reducing certain indicators of alcohol abuse are likely misleading, at worst, and unsubstantiated, at best.

In fact, a very recent paper discussing the worldwide trends in public health and alcohol use has just been distributed and is scheduled to be included in the World Health Organization's international journal of health development later this year. The paper entitled "Public Health and Trends in the Alcohol Trade" was written by Professor Brendan Walsh, University College, Dublin, Ireland and Marcus Grant, Senior Scientist, Division of Mental Health, WHO, Geneva, Switzerland. The paper includes a review of trends in alcohol marketing around the world, including advertising. In talking about the worldwide experience the authors write, "The relationship between aggregate expenditures on alcohol advertising and aggregate levels of consumption is far from clear." Obviously, if recent research in Scandinavian countries demonstrated substantial changes in consumption associated with the advertising ban, the position of these scientists would be quite different.

Another potentially misleading impression arose out of what is clearly the definitive work on the trends in alcohol and drug use among high school seniors: the national panel study of high school seniors discussed by Dr. Lloyd Johnston of the University of Michigan. The magnitude of the serious problems among teenagers because of the misuse of alcohol is undeniable and is amply documented in Professor Johnston's highly respected work. In fact, the "Monitoring the Future" project is the most valuable database for assessing the changing patterns of use and abuse over time and is an indispensible resource for scholars in the field of teenage alcohol abuse. However, it must be kept in mind that these data do not bear directly on the issue of the role of advertising in the creation and maintenance of those alcohol problems so well-documented by this research. And while the inferences and speculations made regarding the plausible mechanisms by which advertising might contribute to these problems of youth, many of these suggestions are not empirically supported by that research which more directly focusses on media advertising effects. In fact, the data themselves provide far more convincing evidence of the substantial role that interpersonal influences (including parental and peer attitudes and behavior), social contexts and activity patterns, and psychological factors of youth play in the tragic alcohol problems of youth than they do of the effects of advertising. Again, it is incumbent on policy-makers to understand upon which questions particular research bears directly, which questions particular studies inform indirectly, and which questions are left uninformed by particular studies.

One final issue that was raised in the statements made during the Hearing is one that is troubling to those of us who study alcohol and drug abuse among adolescents. A strong trend in drug and alcohol research is to consider substance use and abuse within a developmental perspective. In essence, much research has shown that a large part of alcohol use and drug use among adolescents is a transitional behavior marking stages in normal adolescent psychosocial development. As such, distinct developmental stages of involvement with alcohol and drugs can often be identified, with alcohol use often occurring at the earliest developmental stages. Yet, this pattern of occurrence of alcohol use preceding or concurrent with use of illicit drugs is often misinterpreted as a causal relationship by non-researchers: that is, the erroneous conclusion often drawn is that alcohol use leads to more extreme forms of drug involvement.

But as most researchers using the developmental perspective point out, there is little causal connection between these particular behaviors and a previous stage of alcohol use is often insufficient to predict later or more extreme forms of drug abuse. In an authoritative and comprehensive survey of drug and drinking behavior among youth, Professor Denise Kandel writes on the topic of the stages of alcohol and drug involvement: "It is important to keep in mind that one's position at a particular point in the sequence does not indicate that that a person will progress to other drugs higher up in the sequence" (Annual Review of Sociology 1980, p. 258). This is important to keep in mind because such a sequence of behavior or the co-occurrence of drinking and drug behavior is too easily misinterpreted as a causal connection. In fact, research which has focussed on whether exposure to proprietary drug advertising leads to illicit drug use among youth has shown no support for this connection and such findings are relevant in the present context.

Quite apart from these concerns which focus on the interpretation of the empirical evidence related to the effects of advertising on alcohol abuse and alcohol-related problems, a final set of concerns involves what often goes unsaid: namely, that policy initiatives are very often not simply ineffective nor neutral in their implications, but, can have serious negative consequences for the very problem they are intended to solve. My concern is not with the consequences of banning alcohol advertising on issues of 1st Amendment rights, changes in television and radio programming, nor economic and market concerns of the industries and consumers involved; I do not have the expertise to address these questions nor do I believe these are of paramount concern from a perspective which focusses on attempts to reduce the tragic consequences of alcohol abuse. My first concern is the false hope which is engendered by a policy which disregards the very scientific evidence on which the expectation of success should be based. This concern involves the larger issue of what will serve as the basis for public policy as a substitute for the rational scientific evidence -- the depth of concern? personal beliefs about alcohol use, advertsisng, or both? moral or religious conviction about the propriety of drinking? This concern also involves the more particular issue of the false hope engendered in those personally affected by the tragedies of alcohol abuse in assuming that this very serious problem is indeed being considered rationally and that rational policy options are being selected.

Secondly, a policy which focusses on advertising and implicitly on alcohol use, given the present weight of evidence, runs the risk of deflecting our attention for some time away from the central concerns of alcohol abuse, problem drinking, and alcoholism. Indeed, much of the testimony, as well as statements made in other contexts, indicates considerable confusion between drinking, *per se*, and the irresponsible use of alcohol which leads to so many tragic personal consequences. This distinction becomes blurred even more when the debates center on the effects of alcohol advertising. Quite apart from the likelihood that banning alcohol advertising will not diminish the magnitude of our serious alcohol problems, the very seriousness of these problems cannot withstand our attention being deflected from the more central issues.

Thirdly, and certainly related to the last point, policy initiatives are not neutral with respect to their effects on alternative policy options. If the present concern with alcohol advertising reorders our priorities and strategies for dealing with the problems of alcohol abuse, it is likely that some new alternatives, with a closer link to the empirical facts, will be foregone. In addition, resources for designing, implementing, and monitoring policy choices are not unlimited. Many of us in the alcohol field, and especially those involved in existing, effective alcohol abuse prevention and treatment programs, believe a real danger for these programs exists when the focus shifts from the specific problems of alcohol misuse to the general issue of consumption of alcohol beverages.

Finally, there is a very real danger that banning alcohol beverage advertising will result in a counter-trend to the movement by alcohol researchers, policy-makers, and treatment specialists over the last several decades to distinguish alcohol abuse and the disease of alcoholism from moderate, responsible drinking. Stigmatizing the more than one-hundred million Americans who responsibly consume alcohol by an explicit policy that suggests that their responsible consumption, while not illegal nor illicit, is not to be condoned, is potentially counter-productive. There are many professionals involved in the clinical aspects of alcohol abuse treatment and prevention who believe that such messages will be detrimental to the hard-fought gains in public attitudes toward alcohol abuse made in the last half-century. We should not take lightly the potential for such a policy to put responsible drinking back in the shadows, a move which is likely to put alcohol abuse even further in the dark.

In conclusion, Madam Chairman, I want to express my sincere appreciation for the opportunity to introduce this statement on the topic of alcohol advertising and alcohol abuse. This issue is of deep personal and professional interest to me and I do hope that these remarks are useful to you and your colleagues on the Subcommittee as you pursue efforts aimed at reducing the personal and societal consequences of alcohol abuse and alcoholism. We in the scientific community realize the dimensions of the problem and the magnitude of the tasks confronting all of us and hope that our research efforts will assist you in your much appreciated efforts.

Sincerely,

Donald E. Strickland

Donald E. Strickland, Ph.D.
Assistant Director

DES/eg
Attachment: Research Papers on Alcohol Advertising

ATTACHMENT: RESEARCH PAPERS ON ALCOHOL ADVERTISING

1. "A Critique and Re-Analysis of 'Social Learning and Deviant Behavior: A Specific Test of a General Theory,'" *American Sociological Review*, February 1982, 41:162-67.

2. "A Content Analysis of Alcohol Beverage Advertising, Part I: Magazine Advertising," (with T. Andrew Finn and M. Dow Lambert), *Journal of Studies on Alcohol*, July 1982, 43(7):655-82.

3. "A Content Analysis of Alcohol Beverage Advertising, Part II: Television Advertising," (with T. A. Finn), *Journal of Studies on Alcohol*, September 1982, 43(9):964-989.

4. "Alcohol Advertising: Content and Controversy," *Journal of Advertising*, September 1982, 1(3):201-14.

5. "The Advertising and Alcohol Abuse Issue: A Cross-Media Comparison of the Content of Alcohol Beverage Advertising," (with T. Andrew Finn), in Michael J. Burgoon (ed.) *Communication Yearbook VI*. Beverly Hills: Sage Publications, 1982, pp. 850-72. [Selected by International Communications Association as one of the "Top 3" papers in the health communication field in 1982].

6. "Alcohol Advertising: Orientations and Influence," *Journal of Advertising*, November 1982, 1(4):307-19.

7. "An Evaluation of 'Content and Effects of Alcohol Advertising,'" *Journal of Studies on Alcohol*, January 1984, 45(1):87-93.

8. "Social Learning and Teenage Alcohol Use: Interpersonal and Observational Influences Within the Sociocultural Environment," (with David J. Pittman), *Journal of Drug Issues*, Winter 1984, 14(1):137-150.

9. "Targeting of Magazine Alcohol Beverage Advertisements," (with T. Andrew Finn), *Journal of Drug Issues*, Summer 1984, 14(3):449-67.

10. "Advertising and Alcohol Abuse: A Critique of Breed and DeFoe's 'Risk and Alcohol Lifestyle Advertising,'" (with David J. Pittman), *Abstracts in Alcohol and Driving*, September 1981, 2(9):11-16.

11. "Advertising Exposure, Alcohol Consumption, and Misuse of Alcohol," in M. Grant, M. Plant and A. Williams (eds.) *Economics and Alcohol: Consumption and Controls*. London: Croom Helm, 1983, pp. 201-22.

12. "The Advertising Regulation Issue: Some Empirical Evidence on Alcohol Advertising and Teenage Consumption Patterns," in H. Holder and J. Hallan (eds.) *Control Issues in Alcohol Abuse Prevention: National, State and Local Designs for the '80s* Chapel Hill, N.C. The Human Ecology Institute, 1984, pp 109-24.

13. "A Critical Evaluation of the Control of Consumption Policy," (with David J. Pittman), in H. Holder and J. Hallan (eds.) *Control Issues in Alcohol Abuse Prevention: National, State and Local Designs for the '80s*. Chapel Hill, N.C.: The Human Ecology Institute, 1984, pp. 171-86.

February 6, 1985

Honorable Paula Hawkins
Chairwoman, Subcommittee on Alcoholism
 and Drug Abuse
Committee on Labor and Human Resources
United States Senate
Washington, DC 20510

Dear Ms. Chairwoman:

Thank you for your invitation to testify before the Alcoholism and Drug Abuse Subcommittee on the subject of alcoholic beverage advertising.

As you know, ATF has primary jurisdiction over such advertising and we are currently considering several broad initiatives within the framework of our statutory authority. Unfortunately, at this point in the rulemaking process, we are precluded from making public statements on the thrust of our initiatives by the Administrative Procedure Act.

We would welcome, however, the opportunity to meet privately with you and the Subcommittee members at your convenience to discuss the regulation of alcoholic beverage advertising.

You are to be commended for bringing to public focus this very important and sensitive issue.

Sincerely yours,

Director

CSPI CENTER
FOR SCIENCE
IN THE
PUBLIC INTEREST

February 13, 1985

Senator Paula Hawkins
Chair, Subcommittee on Alcoholism
and Drug Abuse
639 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Hawkins:

On behalf of Professor Arthur Asa Berger of the Annenberg School of Communications, University of Southern California, we are submitting for the record of last week's hearings on alcohol advertising, the enclosed documents:

"The Manufacture of Desire:
Alcohol Commercials and Society"

Arthur Asa Berger
Curriculum Vitae

The former paper will soon be supplemented by an exhaustive analysis of a typical televised beer ad. Although that analysis may not arrive in time to be included in the hearing record, we will forward it for your attention and for distribution to other members of the Subcommittee.

Thank you.

Sincerely,

George A. Hacker
Associate Director for
Alcohol Policies

Arthur Asa Berger, Ph.D.
Professor
Broadcast Communication Arts Department
San Francisco State University

1984-1985
Visiting Professor
Annenberg School of Communications
University of Southern California

THE MANUFACTURE OF DESIRE:

Alcohol Commercials and Society

1. THE PROBLEM OF ADVERTISING.

Advertising is an enormous puzzlement. It is an 85 billion dollar a year industry, employs some of the brightest and most creative people in society (at very high salaries, to boot) yet people in the industry have difficulty proving that it does anything: Item: an advertising executive told me "probably half of the money people spend on advertising is wasted . . . but nobody knows which half." Item: advertising agencies must convince clients that advertising is effective . . . but when they are asked by governmental agencies or consumer groups about what they do, they argue that they do very little.

The situation seems to be that although nobody is certain how advertising works, there seems to be feeling that it is necessary and even that advertising campaigns are worth the enormous amount of money they often cost. Item: commercials on the 1985 Superbowl cost approximately one million dollars for a minute. Item: an advertising executive told me about a

copyright © Arthur Asa Berger, 1985.

campaign for a soft drink. "Before we started advertising in Denver, only 12% of the people knew of the existence of the soft drink we were pushing. After the campaign, something like 80% of the people knew about it."

We are left with the conclusion, if we believe what advertising agencies tell us (and the manufacturers of products as well) that advertising works in mysterious and strange ways and that although nobody is sure how it works, precisely, it does -- though its power to shape behavior is really quite minimal. This may be true in the sense that we cannot be sure that a given commercial or campaign will shape a given person's behavior -- or will be the primary force in shaping that person's behavior -- but collectively we can see that advertising has an impact . . . that it affects people "in general." Manufacturers and others aren't going to spend 85 billion dollars a year because they are good samaritans.

I would argue that advertising is a very powerful force which plays a major role in the economy (it motivates people to work so they can earn money and buy things) and which has the power to shape people's behavior. This is not to say that all campaigns work or that they work the way advertisers and advertising agencies imagine they will. But in the long run, taking a broad look at human behavior, it seems quite evident that advertising exists and is used because it "works."

2. WHAT IS ADVERTISING?

In the Webster's Collegiate Dictionary advertising is defined as follows: "to call public attention to by emphasizing desirable qualities so as to arouse a desire to buy or patronize . . . via paid announcements." In short, advertising attempts to affect people's behavior -- to convince, to persuade, to motivate and to get people to act, to do something. This something generally involves purchasing products or services. There are many forms and genres of advertising . . . and it pervades all the media. This essay focuses on radio and television commercials (and on the latter more than the former), and the role they may play in stimulating the consumption of alcoholic beverages.

It is worth noting some of the ideas mentioned in the definitions of advertising. We find such terms as "arouse" and "desire" which suggest that there are very powerful "affective" and perhaps even unconscious or "irrational" elements at work in advertisements.

3. A NEW PERSPECTIVE ON THE EFFECTS OF ADVERTISING.

The model which many social scientists have used in studies of the impact of advertising is a psychological one (or perhaps social-psychological one). People are tested to see whether they recall advertisements or whether their attitudes or opinions have been changed by having been exposed to advertisements. This approach, which often is quite sophisticated in terms of research design, often indicates that advertising has little or no effect on respondents. Or, to be more precise, none that can be detected or measured.

It would suggest that a different model should be applied, one that focuses not on opinion or attitude change but, instead, on two different matters: one is people's unconscious and the other is cultural behavior. Focusing on individuals or groups of individuals in test studies often suggests that advertising plays no significant role in decision-making. Yet, an examination of advertising as a cultural phenomenon suggests something quite the opposite -- a conclusion that might explain why revenues for advertising keep growing and why businesses continue to advertise. Advertisers are not irrational; they do not spend money "raising flags up flagpoles to see whether anyone will salute" because of idle curiosity.

The devaluation of the power of advertising by businesses is generally an attempt to escape from regulation by governmental agencies and to escape from critcisms of being manipulative and, in some cases, anti-social, by consumer groups and other interested parties. Communications scholars, I might point out, have wavered in their assessments of the power of media. Thirty years ago scholars concluded that the media were powerful; then they changed their minds and concluded that they are weak. (A famous scholar said something to the effect that "some media some time have some impact on some people.") Now, it seems, the notion that the media are powerful is once again gaining acceptance.

Given this situation, when the media were seen as weak, advertisers could argue that advertising was relatively trivial -- a service to inform or entertain the public, but little more than that. Yet, at the macro level, when we look at collective behavior, it seems that advertising does have power. It is advertising's cultural role that is significant. We may not have the tools in the social sciences to show how advertising affects individuals in tests, etc. but when we look at advertising as a cultural phenomenon, the situation is strikingly different.

One argument that advertising people use to defuse criticism is the "post hoc ergo propter hoc" argument. Just becuase something happens after something doesn't mean it was caused by it. That is, just because Y follows X does not mean that X caused Y. Thus if John sees a beer commercial on television and then drinks a beer, it does not mean the commercial caused

John to drink the beer. Nobody can argue with this. But when you move to the collective level, and have lots of people drinking beer after having seen lots of beer commercials, there is good reason to believe that the beer commercials might have some role to play in the behavior of the beer drinkers.

That is, commercials for alcoholic beverages may not be the sole causative factor responsible for people drinking, but they may play an important contributing role. Since the public airways are held "in trust," so to speak, by television stations, the question we must ask is whether this "trust" is being abused.

Another reason which leads us to suspect that commercials play an important role in stimulating the consumption of alcohol stems from the fact that television viewers and radio listeners are exposed to so many commercials. It has been estimated that the typical television viewer, who watches approximately three and a half hours per day, is exposed to between 500 (a conservative estimate) and 1000 television commercials per week. And a relatively high percentage of these commercials (especially in programs that males tend to watch) are for alcoholic beverages -- and, in particular, beer. This redundancy, this continual repetition, must have a powerful impact on people -- especially upon impressionable young people.

(One reason it is so difficult to establish, via experimental methods, a direct causal link between television commercials and alcohol consumption is that television is so ubiquitous that it is very difficult to find a "control" group, a group of people who are not exposed to television. That is why I think the anthropological "model" is more useful since it focuses on culture and on the role that alcohol plays in this culture. I will say more about this shortly.)

4. TELEVISION COMMERCIALS AND HOW THEY WORK.

I will focus my attention here on television commercials since they are, it is generally held, the most powerful form of advertising. Commercials should be seen as works of art that have their own conventions; they might best be thought of as mini-dramas which employ all the techniques of the theatre and the cinema to achieve their aims. At their best, they use language brilliantly, they employ the most sophisticated techniques of lighting and editing, they have wonderful actors and actresses who use body language and facial expression to get their messages across, and they often cost enormous amounts of money, relatively speaking to produce -- many times the production costs (on a per-minute basis) or the programs in which they are shown.

The power of the human voice is well known. When this is added to strong narratives, music, sound effects and superb writing, it is easy to see why the commercial is such an incredible means of persuasion. Let me list, here, some of the specific techniques that are used in alcohol commercials to add to their power.

A. Sports Heroes. Young people often identify when sports heroes and emulate their behavior.

B. Sexuality. Many of the commercials overtly connect alcohol consumption with sex. These commercials often use beautiful women in them; they are shown as part of the drinking experience.

C. Humor. Many of the commercials are extremely funny. This humor generates feelings of well-being which become attached to the commercials . . . and the products they sell. They also suggest that drinking isn't "serious."

D. Fun. These commercials appeal to the "fun ethic" of young (and not-so-young) people . . . who are shown that drinking is fun, in itslef, and connected to fun, in general.

E. Success. Alcohol is often tied in commercials to people who are successful. Drinking, and perhaps knowing "how" (and what) to drink, then becomes a sign of success.

F. Reward. Drinking is often shown as a "reward" for people who have worked hard and who, therefore, "deserve" their drinks. This appeals works at both the blue collar level and at the white collar level. The rewards one gets are fun, comradeship, sex, pleasure, etc. All of these matters are connected to the uses of alcohol by young people and that is the subject I would like to turn to at this point.

5. THE USES OF ALCOHOL BY ADOLESCENTS.

Let me suggest, here, some of the uses which young people make of drinking. We will find, that many of these uses are reflected in alcohol commercials which suggests that these commercials help socialize or enculturate young people. What I am talking about here is sometimes called "tacit enculturation." On the overt level these commercials try to persuade young people to drink. On the covert level, they also teach them attitudes and values, suggest ways of behaving and do many other things. One might even argue that often commercials have consequences which the creators of the commercials do not and cannot anticipate.

Drinking, for many young people, is associated with being "grown up," adult, perhaps even sophisticated. It is connected, in their minds, with sociability (being like others who are popular and "with it") and fun. There is often an element of "revolt" in drinking -- in doing something forbidden, going against parental wishes (while imitating parental behavior, all too often) and asserting one's individuality and autonomy. One can show discrimination (via the selection of what one drinks) and adopt various personnae: hip, cool, wild, lunatic, etc.

It is also seen, by many young people, as a means of escape from the pressures they feel. That is, drinking leads to inebriation, a state in which young people feel "free" of parental and cultural inhibitions and, somehow, more themselves. It is an escape response which is facilitated by the popular view of the drunk as a comic, even heroic figure. The terms young people employ for drunkenness are connected to their rebellious spirits: one gets "smashed" or "bashed" "roaring drunk." There is kind of happy, animalistic spirit given to all this and people are often kidded (and made into comic heroes) for their drunkeness . . . and the things they do when drunk.

Obviously, the use of alcohol as a dis-inhibitor has a certain "payoff" for young people who wish to use alcohol as an excuse for whatever kind of wild or anti-social behavior they would like to indulge in -- and escape judgement. Adolescents, we know, frequently experiment with all kinds of things when they are young and we should expect this. But we must also be mindful of the social cost of some of this experimenting and of the fact that in the case of alcohol, the consequences are often disastrous -- both to the individuals involved and society at large. Item: in 1983, "accidents involving young drunk drivers claimed 7,784 lives, according to an article in The Los Angeles Times (Jan. 10, 1985). "That means young people caused 40% of the nation's drunk-driving fatalities." Adolescence is generally considered to be a period of great change, often accompanied by considerable psychological turmoil and anxiety about identity and the future. In this state, young people are particularly susceptible to persuasion by commercials . . . which hold out the promise of various kinds of resolutions of the diffuculties that they face.

There also may be a "rational" element to the use of commercials by young people. This is, they may, quite consciously, decide to "accept" the persuasions of commercials so they can justify, to themselves, their desire to drink and experiment with alcohol. Unfortunately, too often, these experiments lead to tragedy, as The Los Angeles Times statistics demonstrate.

6. TELECULTURE.

I use the term teleculture to emphasize the role that television plays in society. Television is not a simple entertainment which merely reflects the culture in which it is found. Television does, of course, reflect culture but it also profoundly affects culture. It does this by focusing attention on certain aspects of culture and not paying attention to others.

Television is, I believe, the most powerful socializing and enculturating force in society. It entertains but it also instructs, even when it is not trying to do so. And it has usurped the roles formerly played by other actors in the socialization process. Who used to be the basic socializing actors? Let me list them.

A. Parents. With the changes that have taken place in the family structure and the breakdown in parental authority in America, the role of the parents in socializing young people has greatly diminished.

B. Priests. The clergy also clearly has a diminished role . . . though some elements of the priesthood has discovered television and now uses it for its own purposes. This use of television by the clergy, however, tends to be associated with fundamentalist sects (and, in some cases, charlatans) and not with "mainstream" religious organizations.

C. Professors. Teachers and other academics used to play a significant role in socializing young people and still do, but it also has been diminished. This is because teachers cannot compete with popular culture and, in fact, have to spend their time doing what they can to counter the power of the media.

D. Peers. We know that adolescents are particularly susceptible to peer pressure and at various moments in the developmental cycle, peer pressure is much more significant to young people than parental pressure. But who or what, may we ask, socializes peers? How do peers get their values and attitudes? They, too, like the "opinion-leaders" of old, are socialized by the media.

E. Pop Culture.

It is, I believe, simplistic to argue that popular culture is the sole, only, single determinent of behavior, but it probably is correct to argue that it plays a major role (or, at least, an increasingly important role) in the socialization of young people. And it is television that is of major significance here -- for it is television which broadcasts (and affects, as well) much of our popular culture. And the most important genre on commercial television is, of course, the commercial.

I might add that in some cases drinking is found in television programs, which means that the content of the program serves to intensify the message of the commercials -- that drinking is good, causes pleasure, and is "part" of life. One of the main functions of alcohol advertising is "naturalize" this kind of behavior. That is, a cultural activity (drinking) is made "natural" and part of the scheme of things -- something that "goes without saying," something we don't think about. This may be one of the most important functions of liquor advertising -- to naturalize drinking and make it part of everyday life.

7. A PRIMER ON ANALYZING TELEVISION COMMERCIALS.

Here I would like to consider some of the more important aspects of television commercials. We must remember that a television commercial is a special kind of work of art -- one which is created to persuade. But it still is a work of art and therefore can be analyzed much the same way a film or television program can be understood: in terms of its various components and the role they play in the productin.

A. The Narrative Structure. What happens in the commercial and what significance do the various actions and events have? How might the actions and events affect viewers and what meaning do they have for people? In this area we focus on the story-line of the commercial and its symbolic significance.

B. Dialogue and Language. What do the characters say to one another and to us? What devices do they use to gain our attention or affection and to persuade us? What rhetorical techniques are used? What kind of language is used? What use is made of phenomena such as humor, comparisons, exaggeration, praise, logic, etc.

C. Actors and Actresses. Sometimes we forget that when we watch commercials we are seeing actors and actresses playing their trade. But rather than trying to convince us they are Hamlet or Orphelia, they try to convince us they are housewives who love this or that product or rugged he-men who love this or that brand of light beer. What kinds of symbolic figures are the characters in the commercial? What use do they make of facial expression, body language, their voices, etc.? What about the clothes they wear? Their ages? The setting in which they are found?

D. Technical Matters: Lighting, Color, Editing, etc. Here we concern ourselves with how lighting, cutting, shot selection, etc. impact upon viewers. For instance, close-ups lead to a different feeling about things that long-shots and shots from below are contrasted with shots from above. Does the commercial have many quick cuts in it? If so, what impact does this have? How are things lighted and what kind of use is made of color? All of these matters are kinds of "messages" and must be included in any analysis of a television commercial.

E. Sound and Music. We are profoundly affected by sound and music, which seem to have the power to work directly on our psyches. What use is made of sound? Is there music used? If so, what kind and for what purposes?

F. Signs, Symbols and Inter-textual Devices. Signs and symbols are phenomena which represent other things: a cross can represent Christianity, the sacred, religion, etc. Inter-textuality refers to the process by which we interpret one text in terms of another. Thus parody, for example, is based upon ridiculing a text (which must be known in order for the parody to work). The associative power of texts can be used to suggest things or ideas connected with the original text. This means that commercials can take advantage of what people know -- about history, literature, the arts, etc. --in getting their messags across.

In short, every aspect of a commercial -- from the typefaces used in captioning to the hairstyles of the performers -- can be considered as potentially important. Commercials are complex and "rich" works of art that demand a great deal of attention if one is to discover the mechanisms by which they achieve their aims.

8. CONCLUSIONS.

Let me offer, here, a summary of the main points I have made and the conclusions which I draw from these points. First, advertising is a huge industry that plays an important role in the socialization of people, young and old, in American society. It provides what might be called "product knowledge," and research evidence suggests that even young children, at five or six years of age, know a great deal about many of the products advertising on television (and are often able to sing the jingles from commercials).

Second, corporations advertise because it is effective in a number of different ways. Advertising campaigns often have as the primary goal, we are told, holding market share but it is reasonable to suggest that these campaigns also attract new users. People who are exposed to commercial campaigns may not be able to recall the commercials they have seen or provide evidence that their opinions and attitudes have been affected, but advertising campaigns leave a certain kind of feeling with people, generate a certain kind of sensibility. In the case of beer commercials, it is that drinking beer is a natural part of everyday life (though we know that drinking beer is not a natural but a cultural phenomenon). The beer industry once had a campaign someting to the effect that "In this great land, beer belongs," which shows quite clearly what these campaigns are supposed to do. Drinking beer (and other liquors) becomes "naturalized" or validated.

In addition, I have suggested that television commercials, in particular, are extremely complicated and powerful art forms which work in a number of different ways. I offered a list of some of the factors to be considred in analyzing commercials. This complexity, the fact that works of art affect people in strange and complicated ways, makes it difficult to measure their effects. But the fact that corporations continue to advertise, and often increase their advertising budgets each year, leads us to conclude that advertising does "work."

Finally, I have suggested that commercials are part of what I call "teleculture," which is now probably the most important enculturating and socializing force operating in society. It is naive to think of television (or any of the mass media) as simply an entertainment, which does not have a profound impact upon the poeple who watch it. For one thing, we know that the average person watches television about 3½ hours per day. If television does generate "culture," as I've argued, that is a tremendous amount of time for it to enculturate people. Television has usurped the place that used to be occupied by parents, the clergy, teachers and other institutions as socializers of the young. We learn from all of our experience (though we may not be conscious of the fact that we are learning) so because television is such a large part of our experience, it must play an important role in "teaching" us about life.

It also happens that for a number of reasons, adolescents are particularly susceptible to the entreaties of alcohol commercials which pose a particular threat to their well-being and happiness (and one might even add, considering the statistics about adolescents and drinking-related automobile accidents, their survival).

The conclusion I draw from my analysis of alcohol advertising on television is that alcohol should not be allowed on television. The public owns the airwaves, which are leased to television stations and networks in "the public's interest." I do not believe this interest is being served by broadcasting commercials for alcoholic beverages. If, for some reason, it is not possible to take these commercials off the airwaves, counter-advertising should be allowed . . . which alerts people to the dangers caused by consuming alcohol. The consumption of alcohol is not a trivial matter, though beer commercials often make "light" of it, quite literally. And the answer is not to place the responsibility on each individual, for many people, especially young people and adolescents, do not have the psychological resources to resist the blandishments of the advertisers. Alcohol is a social problem that demands a societal solution.

9. **APPENDIX**. (to come)

Analysis of selected television commercials for alcoholic beverages.

FEDERAL TRADE COMMISSION
WASHINGTON, D. C. 20580

OFFICE OF THE SECRETARY

April 15, 1985

Michael F. Jacobson
Executive Director
Center for Science in the Public Interest
1501 Sixteenth Street, N.W.
Washington, D.C. 20036

Re: Omnibus Petition For Regulation of Unfair and Deceptive Alcoholic Beverage Advertising and Marketing Practices (Docket No. 209-46)

Dear Dr. Jacobson:

This letter is to inform you of the Commission's determination in response to the above-referenced petition. In this petition, the Center for Science in the Public Interest, along with 28 other organizations and three individuals, argues that even where current alcoholic beverage advertising and promotion practices do not expressly misrepresent the attributes of alcoholic beverage products, certain practices are, nevertheless, deceptive and/or unfair because they portray alcoholic beverage consumption and/or abuse in an appealing manner. The petition contends that such advertising and marketing practices cause increased consumption and alcohol abuse.

The petition seeks a number of Commission-imposed remedies for these alleged violations of the FTC Act, including rules banning all alcoholic beverage advertising and promotional practices aimed at, or reaching, large numbers of children, teenagers, or heavy drinkers, and regulations requiring rotational warnings in otherwise permissible print ads and the broadcasting of public service announcements designed to discourage inappropriate drinking habits. The petition also seeks an industry-wide investigation of alcoholic beverage advertising and promotional practices.

The Commission has determined to deny the petition insofar as it requests initiation of rulemaking proceedings, commencement of an industry-wide investigation and institution of enforcement actions challenging the legality of specified advertising campaigns. Nonetheless, the Commission will continue its ongoing review of alcohol advertisement and marketing practices to identify any that warrant challenge as deceptive or unfair under Section 5 of the FTC Act.

In reaching this decision, the Commission has carefully considered the issues raised in the petition, and the enormous personal tragedy and economic injury connected with alcohol abuse. It has found, however, no reliable basis on which to conclude that alcohol advertising significantly affects alcohol abuse. Absent such evidence, there is no basis for concluding that rules banning or otherwise limiting alcohol advertising would offer significant protection to the public. Moreover, to the extent that many of the alleged industry-wide practices challenged by the petition are open to legal challenge under Section 5, they are more appropriately analyzed under the Commission's unfairness standard than under the standard relating to deception. The Commission, however, currently does not have authority to issue rules governing commercial advertising on the basis of its unfairness jurisdiction. An industry-wide rulemaking based on a deception theory would be inappropriate given the lack of evidence of any widespread activity that may properly be characterized as misleading under the applicable law.

The fact that an industry-wide rulemaking does not appear to be a viable option, of course, does not eliminate the possibility that the Commission will bring lawsuits in individual cases where advertisements appear to be deceptive or unfair. The Commission will continue to monitor alcoholic beverage ads and will take action against any that it believes to be unfair or deceptive. To date, however, despite the existence of some advertisements of dubious taste or propriety there appears to be little evidence demonstrating either that advertisers of alcoholic beverages have violated Section 5 or that even if such a violation could be proven, an advertising-related remedy such as a full or partial ban would likely be effective in reducing alcohol abuse. Indeed, your petition itself appears to concede that there is little reliable evidence on how consumers respond to alcohol advertising -- or on whether advertising-related remedies would be effective.

We are not, of course, the only federal agency concerned with the effects of alcohol advertising. As you are aware, the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury (BATF) also has jurisdiction over alcohol advertising. As you also know, BATF currently is engaged in rulemaking proceedings that address many of the same issues as those raised by the petition. In response to BATF's request for comments in those proceedings, your organization and numerous others submitted comments similar to the statements and recommendations contained in the petition submitted to the FTC. For the Commission also to engage in rulemaking proceedings would be needlessly duplicative governmental action. Of course, to the extent that BATF proceeds in its consideration of the issues raised by the petition, the Commission intends to offer BATF staff its economic and policy expertise.

In addition to the Commission and BATF, there are other federal governmental agencies, state and local governments and many private-sector organizations at both the national and regional level that are concerned with the issue of alcohol abuse. These governmental and private organizations are engaged in activities such as public information campaigns to educate consumers about alcohol abuse and responsible drinking. Such efforts, in combination with other measures, such as stricter legal sanctions for drunk driving, can be an effective way to reduce the serious problems that stem from alcohol abuse. The Commission's staff is participating in a program sponsored by the Office of Juvenile Justice and Delinquency Prevention (OJJDP) of the United States Department of Justice, which the Commission hopes will achieve additional study of these efforts and greater coordination among groups disseminating such information.

Finally, in addition to providing appropriate assistance to BATF regarding its rulemaking proceedings, monitoring alcohol advertisements and marketing practices for deceptive or unfair claims, and participating in the OJJDP program, the Commission will continue to examine how it can best apply its advertising and marketing expertise to the important issues raised by the petition.

By direction of the Commission.

Emily H. Rock

Emily H. Rock
Secretary

Dissenting Statement of Commissioner Patricia P. Bailey from Denial of the CSPI Petition to Regulate Unfair and Deceptive Alcoholic Beverage Advertising and Marketing Practices

April 15, 1985

In November 1983 the Center for Science in the Public Interest filed a petition urging the Commission to take action against several allegedly unfair and deceptive practices used in the advertising and marketing of alcoholic beverages. The Commission has today denied that petition in its entirety. In other words, the Commission has decided not only not to take any enforcement action against marketers of alcoholic beverages, but also to make no further inquiries about those matters contained in the petition involving questionable advertising and marketing practices. I dissent from this decision.

I agree that that portion of the CSPI petition calling for industry-wide rulemaking or investigation should be rejected. The Commission does not now have authority to undertake any rulemaking in the advertising industry under its unfairness jurisdiction. Thus, a rulemaking would have to be based on the prevalence of potentially deceptive ads for alcoholic beverages and I agree that alcohol advertising and promotions are not characterized by widespread deceptive techniques.

I disagree, however, with the Commission's decision not even to engage in some factual inquiry with respect to certain questionable advertisements and promotions. These practices, while few in number, deserve close scrutiny and possible challenge.

The Commission's consideration of alcoholic beverage promotions comes in the wake of intensified private and public efforts to reduce drunk driving and other alcohol-related harm. A brief recital of the grim statistics associated with alcohol consumption graphically illustrates the economic and social toll alcohol exacts in our society: traffic fatalities (one-third are alcohol-related), industrial and other accidents, fetal harm, and an array of health problems, including alcoholism and physical dependency. Annual expenditures to promote the sale of alcoholic beverages probably exceed $1 billion. Advertisements for alcohol products are a staple of the broadcast media, particularly during sports events, and print promotions fill the pages of national magazines and newspapers. Sorting out the relationship between alcohol promotions and alcohol-related health and social problems is an extremely complicated exercise but one that falls within the ambit of the Commission's consumer protection responsibilities.

The CSPI petition describes several promotional practices that are particularly troubling. Among them are:

(1) a print advertisement depicting a beer bottle as part of a motorcycle and stating "[w]hen you do it, do it with Style. [The advertised beer's] Old Style";

(2) a print advertisement showing two young people waiting with a car at an intersection marked by a "Beer XXing" sign and with several bottles and glasses of beer going by;

(3) a print advertisement depicting four glasses next to a bottle of the product and stating, "after a hard day's work pour yourself some [liquor]";

(4) a print advertisement depicting five brandy glasses and stating, "[t]he only thing better than [the advertised liquor] is another [of the advertised liquor]";

(5) various beer company promotions on college campuses involving chug-a-lug contests; and

(6) various advertisements for alcoholic beverages placed in college publications in states where the drinking age is 21.

The first two advertisements directly connect drinking and driving. The second two promote excessive consumption, possibly appealing to problem drinkers. The last two promotional practices encourage young people to drink alcohol in ways that are dangerous or in situations where it violates state law and public policy. Clearly such promotional techniques could constitute deceptive or unfair commercial practices and deserve further attention by the Commission.

We do not know how often and where particular alcoholic beverage advertisements appeared, how regularly particular promotions were offered, or whether any of the above advertisements or promotional practices were used recently. Nor do we have a clear sense of what some of the advertisements communicate since no copy testing or consumer research was performed to ascertain with some precision how consumers interpret the visual and verbal messages (though I imagine there is little doubt in most people's minds about the message implicit in a chug-a-lug contest). However, the Commission refused to support my motion to direct staff to conduct further inquiries aimed at determining the nature and scope of any violations the advertisements or promotions might present.

It may well be that some companies have voluntarily discontinued certain of these questionable promotions of alcoholic beverages. However, with respect to the practices I proposed to target, voluntary cessation may not be sufficient to guarantee the practices will not be resumed next year when Congressional and governmental interest has faded. This is a particular possibility since it would seem that alcohol marketers have incentives to use precisely the promotional themes they have used in the instances described above. The incentive to promote excessive consumption is apparent. Also, while one would not ordinarily assume alcohol marketers have an incentive to promote activities that endanger their customers, they do have an interest in integrating the use of alcohol into all aspects of life, especially sports, recreational and leisure-time activities. Finally, companies that market alcoholic beverages have a keen awareness of the importance of brand loyalty and the benefits of establishing brand loyalty at an early age. Promotions aimed at youth, including those who are under-age, help to establish brand loyalty that can pay dividends well into the adult years of a company's customers.

The existence of these commercial incentives gives the Commission strong reason to act even where particular practices may have ceased temporarily. For these reasons, I cannot join the Commission's wholesale denial of the petition.[1]

---

[1] In conjunction with its denial of CSPI's petition, the Commission is releasing publicly the staff memorandum exploring the issues in the petition. Although I agreed to release of this memorandum, I do not fully endorse the analysis it contains.

RECOMMENDATIONS OF THE STAFF OF THE FEDERAL TRADE COMMISSION

OMNIBUS PETITION FOR REGULATION OF UNFAIR AND DECEPTIVE ALCOHOLIC BEVERAGE ADVERTISING AND MARKETING PRACTICES

Docket No. 209-46

March 1985

NOTE: These recommendations reflect the views of the Commission's Bureaus of Consumer Protection and Economics. They do not necessarily represent the views of the Federal Trade Commission or any of its individual Commissioners.

FEDERAL TRADE COMMISSION
WASHINGTON, D. C. 20580

BUREAU OF
CONSUMER PROTECTION

MEMORANDUM

March 6, 1985

TO: Commission

FROM: Carol T. Crawford, Director cTc
Bureau of Consumer Protection

Wendy L. Gramm, Director wlg
Bureau of Economics

SUBJECT: Omnibus Petition for Regulation of Unfair and Deceptive Alcoholic Beverage Advertising and Marketing Practices (Docket No. 209-46)

We are forwarding our staffs' recommendation that the Commission deny the petition filed by the Center for Science in the Public Interest, along with 28 other organizations and three individuals, seeking specific Commission regulation of alcohol beverage advertising and marketing. The petition argues that even where current alcohol beverage advertising and promotional practices do not expressly misrepresent the attributes of alcohol beverage products, they are, nevertheless, deceptive or unfair because they portray alcohol beverage consumption in an appealing manner. The petition contends that such advertising and marketing practices cause increased consumption and alcohol abuse.

The petition seeks a number of Commission-imposed remedies for these alleged violations of the FTC Act, ranging from the ban of all alcohol beverage advertising and promotional practices aimed at, or reaching, large numbers of children, teenagers, or problem drinkers, to requiring rotational warnings in otherwise permissible print ads and requiring the broadcasting of public service announcements designed to discourage inappropriate drinking habits.

The petition suggests several theories under which the challenged practices may be deceptive or unfair under Section 5, but offers little or no factual data in support of its theories or its proposed remedies. Moreover, the petition recognizes that the existing research does not demonstrate a causal connection between alcohol beverage advertising or marketing practices and increased alcohol consumption or alcohol abuse.

Under either a deception or an unfairness analysis, the Commission would need reliable evidence that the challenged practices are likely to result in alcohol abuse.[1] Even evidence indicating that alcohol advertising increases consumption is unlikely to be sufficient to support a finding of deception or unfairness because, obviously, increased consumption does not necessarily result in alcohol abuse.

A review of alcohol beverage advertising indicates that the advertising practices criticized by the petition do not expressly urge consumers to become problem drinkers. The challenged advertising and other practices appear, on their face, as image promotions signaling the availability of the firm's alcohol beverage product. Further, our staffs' review of the literature regarding ~~the~~ quantitative effect of alcohol advertising on consumption and abuse found no reliable basis to conclude that alcohol advertising significantly affects consumption, let alone abuse.

In examining the important issues raised by the petition, we also have considered what actions were being undertaken by the Bureau of Alcohol, Tobacco and Firearms of the Department of the Treasury (BATF), which has concurrent jurisdiction with the Commission over alcohol advertising. Since 1978, BATF has been actively engaged in rulemaking proceedings considering many of the issues raised by the petition. Currently, BATF plans additional rulemakings to consider the appropriateness of using athletes, other celebrities and athletic events in alcohol advertising, and to consider incorporation of the alcohol beverage industry's advertising codes into BATF's regulations. To the extent that any Commission activity might parallel that of BATF, unnecessary and costly duplication and inconsistent regulation might result.

We recognize the enormous personal tragedy and physical and economic injury connected with alcohol beverage abuse in our society. Our staffs' inquiry into the effect of public information campaigns persuades us that there are ways, other than by the regulatory methods referred to in the petition, in which the Commission might constructively help address the serious issue of alcohol abuse. Our staffs' review of the public information efforts that have been undertaken by many different groups over the years indicates that such efforts, in conjunction with other measures, such as more stringent legal sanctions, may be beneficial. Thus, the Commission might use its expertise to assist in a comprehensive interagency analysis and evaluation of the existing structure of public information campaigns. Identifying the types of campaigns that are most beneficial so that available resources could be focused on such campaigns might prove to be a cost-effective means of reducing alcohol abuse.

---

[1] Many of the alleged industry-wide practices challenged by the petition would seem to require analysis solely under the Commission's unfairness standard. The Commission, however, currently does not have authority to issue rules governing commercial advertising on the basis of its unfairness jurisdiction.

In conclusion, we concur in our staffs' analysis and in their recommendation that the Commission deny the petition. Of course, in recommending that the petition be denied, we do not intend to suggest that the Commission should not pursue case-by-case law enforcement initiatives regarding alcohol advertising or marketing practices, where they are warranted. We also wholeheartedly recommend that the Commission participate in non-regulatory efforts such as the one described above that might address the issue of alcohol abuse.

MEMORANDUM

DATE: March 6, 1985

TO: Commission

FROM: Bruce C. Levine and Donald G. D'Amato,
Staff Attorneys, Edward T. Popper, Marketing
Consultant, Division of Advertising Practices, and
Donald Keenan, Economist, Bureau of Economics

SUBJECT: Omnibus Petition For Regulation Of Unfair
And Deceptive Alcoholic Beverage Advertising And
Marketing Practices (Docket No. 209-46)

RECOMMENDATION: That the Commission deny the above-referenced petition.

TABLE OF CONTENTS

PAGE

A. Introduction.......................................3

B. The Petition.......................................3

C. The Legal Framework For Analysis.......................6

- 1. Deception.......................................7
- 2. Unfairness.......................................9
- 3. The First And Twenty-First Amendments..............13

D. The Evidentiary Issues Presented In Evaluating The Challenged Practices..............................18

- 1. The Issue of Materiality and Injury................18
- 2. Need for Future Studies..........................21
- 3. The Issue of Remedies............................24

E. The Bureau Of Alcohol, Tobacco And Firearms And Its Advertising Rulemakings....26

F. The Major Trade Groups And Industry Self-Regulation....34

G. Public Information Approaches....38

  1. Overview....38

  2. Federal Agency Programs....40

  3. State And Local Government Programs....43

  4. Private Sector Efforts....44

  5. The Need For Additional Examination....46

H. Commission Options....47

  1. Institute Rulemaking Proposals to Deal With The Issues Raised By The Petitioners....48

  2. Take Individual Enforcement Actions Limited To Specific Advertising Campaigns That Deceptively Or Unfairly Encourage Alcohol Abuse....49

  3. Defer To BATF On The Issues Raised By The Petition....49

I. Conclusion And Recommendations....50

APPENDIX A: Alcohol Advertising, Consumption And Abuse (A Review of the Literature)

A. INTRODUCTION

This memorandum analyzes the issues raised by the "Omnibus Petition For Regulation of Unfair and Deceptive Alcoholic Beverage Advertising and Marketing Practices" that was filed by the Center for Science in the Public Interest (CSPI) and others. After extensively analyzing the relevant research, the staff believes that little, if any, evidence exists indicating that alcohol advertising or marketing practices deceptively or unfairly result in alcohol abuse or even increased consumption. Further, the Bureau of Alcohol, Tobacco and Firearms (BATF) is currently engaging in rulemaking proceedings considering many of the issues raised in the petition to the Commission. For these reasons, the staff believes that further inquiry into the petition's allegations of industry-wide violations is unwarranted.

B. THE PETITION

Twenty-nine organizations and three individuals led by CSPI have filed a petition seeking Commission regulation of alcoholic beverage advertising and marketing. The petition contends that many of the marketing and advertising practices of the alcoholic beverage industry have contributed to the indisputably enormous personal and economic injury connected with alcohol abuse. According to the petition, the abuse of alcoholic beverages has contributed to at least one-third of all traffic fatalities, industrial accidents, drownings, burnings and falls, and over one-half of all violent crimes. Additionally, the petition states that alcohol abuse contributes to many health problems, including fetal injuries. The petition concludes that the estimated costs to society of alcohol abuse, according to numerous studies, are as high as $120 billion per year.

Specifically, the petition requests that the Commission:

1. Commence a comprehensive, industry-wide investigation of alcoholic beverage advertising, promotional and marketing practices. This investigation should explore and determine the extent to which these practices encourage the consumption of alcohol and the extent to which these practices may be encouraging certain vulnerable groups to use or abuse alcohol.

2. Commence one or more rulemakings to consider proper remedies for any law violations prevalent in the advertising and marketing of alcoholic beverages. In this regard, the petitioners specifically recommend both bans and informational remedies. The bans the petitioners propose are prohibitions on all advertising, promotional and marketing practices that:

a. Are aimed at or reach large numbers of youth or heavy drinkers;

b. Use athletic, show business or music celebrities;

c. Depict alcohol use in connection with risky activities;

d. Use subliminal techniques;

e. Link consumption to success;

f. Encourage excessive consumption; and

g. Discourage treatment of alcohol abuse.

The informational remedies proposed are:

a. Public service announcements designed to discourage inappropriate drinking habits;

b. Rotational warnings in print advertising.

3. Commence case-by-case enforcement activities against those acts or practices that would violate the proposed bans; and

4. Prepare an annual report to Congress concerning the consumption and marketing of alcohol beverages.

In requesting the above Commission actions, the petition argues that numerous advertising and promotional techniques currently used to market alcoholic beverages unfairly undermine both voluntary and governmental efforts to provide consumer information on the health hazards and other adverse consequences associated with alcoholic beverage use and abuse. The petition also contends that much of the industry's advertising and promotion is deceptive because alcoholic beverage consumption is presented in a positive manner, and therefore encourages abusive consumption.

C. The Legal Framework For Analysis

The Commission has the statutory authority to regulate unfair or deceptive advertisements of alcoholic beverages in or affecting commerce under Section 5 of the FTC Act. 15 U.S.C. §§ 45 *et seq.* Both prongs of the Commission's authority under Section 5 -- unfairness and deception -- have been the subject of recent policy statements that define these grants of authority and provide guidance about their use. The Commission's enforcement authority is, of course, bounded by the protections afforded to commercial speech by the First Amendment of the United States Constitution.

1. Deception

According to the recent Commission articulation of its deception authority, the Commission will find deception if there is a representation, omission or practice that is likely to mislead the consumer acting reasonably in the circumstances, to the consumer's detriment.[1] If the representation or practice affects or is directed primarily to a particular group, the Commission examines reasonableness from the perspective of that group.[2] In cases of implied claims, the Commission will often be able to determine the representation's meaning through an examination of the representation itself.[3] In some situations, however, the Commission will require extrinsic evidence to resolve the meaning of the implied claim to the targeted audience.[4] In all instances, the Commission will carefully consider any extrinsic evidence brought to its attention.[5]

---

[1] Commission Enforcement Policy On Deception, Commission letter to the Honorable John D. Dingell, October 14, 1983.

[2] As the Commission noted in Heinz W. Kirchner, 63 F.T.C. 1282, 1290 (1963):

> "[a] representation does not become 'false and deceptive' merely because it will be unreasonably misunderstood by an insignificant and unrepresentative segment of the class of persons to whom the representation is addressed. If, however, advertising is aimed at a specially susceptible group of people (*e.g.*, children), its truthfulness must be measured by the impact it will make on them, not others to whom it is not primarily directed."

[3] National Dynamics, 82 F.T.C. 488, 548 (1972), *aff'd*, 492 F.2d 1333 (2d Cir.), *cert. denied*, 419 U.S. 993 (1974).

Lastly, the representation, omission or practice must be "material" -- that is, likely to affect the consumer's conduct or decision with regard to a product or service. If the practice is material, consumer injury is likely because consumers are likely to have chosen differently but for the deception. In many instances, materiality, and hence injury, can be presumed from the nature of the practice. For example, the Commission presumes that all express claims are material. Similarly, when evidence exists that a seller intended to make an implied claim, the Commission will infer materiality.[6] Where materiality cannot be presumed from the nature or context of the claim, the Commission may require evidence to establish that the challenged claims are likely to affect consumer behavior.[7]

---

[4] See, e.g., Pfizer, Inc., 81 F.T.C. 23, 59 (1972); Sears, Roebuck & Co., 95 F.T.C. 406, 510-11 (1980).

[5] Thompson Medical Company, FTC Docket No. 9149 (November 23, 1984), pp. 16-17.

[6] The Commission, however, will always consider relevant and competent evidence offered to rebut presumptions of materiality.

[7] Commission Enforcement Policy On Deception, at 16-18.

The advertisements and practices challenged by petitioners do not expressly encourage alcohol abuse. Nor are any such implied claims obvious from an examination of the challenged practices. These advertisements and practices ostensibly appear as image promotion signaling the availability and quality of the firm's alcoholic beverage product. The positive promotion of these lawful products, however, does not establish a deceptive practice under the Commission's statutory framework. In this context, a finding of deception would seem to require extrinsic evidence that the challenged practices misrepresent by implication the attributes of alcoholic beverages or the consequences of consumption (moderate and/or abusive). Further, the materiality of such misrepresentation must be established: Is the misrepresentation likely to lead to abusive consumption?

2. Unfairness

While the theory of deception addresses misleading practices by sellers, unfairness is a broader concept that is used to reach acts or practices that do not necessarily involve misleading representations, but nevertheless produce unavoidable substantial injury to consumers.[8] For example, the market may fail to provide information that would enable consumers to avoid substantial injury. When the benefits of providing such information exceed its costs, the Commission is empowered to act to ensure its availability.

The Commission, in 1980, provided specific guidelines to the public and staff in the form of requirements that the agency must meet before finding a practice to be unfair. Specifically, the Commission requires reliable evidence that: (1) the injury produced by the practice is substantial; (2) the injury produced by the practice is not outweighed by countervailing benefits to consumers or competition that the practice produces; and (3) the injury is one that consumers could not reasonably have avoided.

The Commission's unfairness authority does not extend to trivial or speculative harm. An injury may be sufficiently substantial, however, if it does a small harm to a large number of people, or a great injury to a small number of people. In addition, the Commission may halt a practice once it poses a substantial risk of harm even though the harm has not yet materialized.

---

[8] Commission Statement of Policy on the Scope of the Consumer Unfairness Jurisdiction, Commission letter to Senators Danforth and Ford, December 17, 1980. See also, Credit Practices Rule, Statement of Basis and Purpose and Regulatory Analysis, 49 F.R. 7740, 7742-43 (1984).

The Commission does not currently have authority to issue rules governing commercial advertising on the basis of a determination by the Commission that such advertising constitutes an unfair act or practice.[9] Thus, one valuable tool for examining many of the issues raised by the Petition and providing appropriate remedies is currently unavailable. It should be noted, however, that Public Law No. 98-166 arguably permits rulemaking governing marketing practices, other than advertising, based on unfairness. In practice, however, product promotion involves a mix of activities, and the line that separates "commercial advertising" from other forms of promotion is unclear. For example, in this case, the petition complains of certain "marketing techniques," such as alcoholic beverage industry sponsorship of rock concerts, campus sweepstakes, beer-drinking contests and poster distributions. In a rulemaking to examine any of these practices on the basis of its unfairness authority, the Commission would risk running afoul of the intent of Congress. Moreover, even if the commercial advertising aspects of these promotions were capable of being neatly distinguished, a rulemaking to consider certain aspects of these promotions wholly divorced from their commercial advertising aspects would appear to be an awkward and inefficient undertaking.

---

[9] Public Law No. 98-166 restricts the Commission's authority in this respect.

Protection of the principles of consumer sovereignty[10] rests at the heart of the Commission's exercise of its unfairness authority.[11] In the context of alcoholic beverage advertising, these principles will not support a finding of substantial injury solely in the promotion of this lawfully marketed product. To hold otherwise would permit the Commission to substitute its own tastes for that of the marketplace. Thus, a finding that the challenged practices are unfair would require evidence that the practices are likely to lead to abuse. It is abuse, not consumption *per se*, that leads to unavoidable consumer injury.

---

[10] "Consumer sovereignty" may be defined as the free exercise of individual purchase decisions in a competitive marketplace.

[11] *See*, *e.g.*, Averett, *The Meaning of "Unfair Acts or Practices" In Section 5 Of the Federal Trade Commission Act*, 70 Geo. L.J. 225 (1981).

3. The First And Twenty-First Amendments

The Commission's authority to regulate acts or practices in or affecting commerce under either a deception or unfairness theory is, of course, affected by the First Amendment. Because of the informational function of advertising, commercial speech is protected by the First Amendment. See, First National Bank of Boston v. Bellotti, 435 U.S. 765, 783 (1978). While the government may ban forms of communication more likely to deceive the public than to inform it,[12] or commercial speech related to illegal activity,[13] if the communication is neither misleading nor related to unlawful activity, the government's power is more circumscribed. In these instances, in order to justify regulation, the government must determine that the regulation: (1) serves a substantial government interest; (2) directly advances that interest; and (3) is no more extensive than necessary to serve that interest. Central Hudson Gas & Electric Corp. v. Public Service Commission of New York, 447 U.S. 557, 566 (1980).

---

[12] See, Friedman v. Rogers, 448 U.S. 1, 13, 15-16 (1979).

[13] See, Pittsburgh Press Co. v. Human Relations Commission, 413 U.S. 376, 388-89 (1973).

The 10th and 5th Circuit Courts of Appeals have recently evaluated the constitutionality of partial statewide bans on alcoholic beverage advertising under the Central Hudson test described above.[14] Both courts failed to resolve the issue of what evidence is necessary for federal agencies to support findings of fact under that test. The courts essentially conclude that because of the 21st Amendment, granting states special authority to regulate alcohol, state decisions imposing partial bans on alcohol advertising are entitled to great deference, and by implication, greater deference than might be accorded to similar federal actions.[15]

---

[14] Oklahoma Telecasters Assoc. v. Crisp, 699 F.2d 490 (10th Cir. 1983), rev'd sub nom., Capital City Cables, Inc. v. Crisp, 52 U.S.L.W. 4803 (1984); Dunagin v. City of Oxford, Mississippi, 718 F.2d 738 (5th Cir. 1983), cert. denied, 52 U.S.L.W. 3920 (1984).

For example, in Oklahoma Telecasters Assoc. v. Crisp, the 10th Circuit upheld a ban that included, among other restrictions, a requirement that Oklahoma cable operators delete wine advertisements from out-of-state signals transmitted over their systems.[16] That court noted that the record did not demonstrate that Oklahoma's advertising restrictions have any direct effect on the consumption of alcohol. Nonetheless, the court found the Central Hudson test did not require such evidence in the case before it "in light of the additional deference owed to the legislature as a result of the Twenty-first Amendment." 699 F.2d at 501. The Oklahoma Telecasters court emphasized:

---

[15] The relevant section of the Twenty-First Amendment states:

> "The transportation or importation into any State, Territory or possession of the United States for delivery or use therein of intoxicating liquors in violation of the laws thereof, is hereby prohibited". U.S. Const. amend. XXI, §2.

While the states have broad authority to regulate alcoholic beverages under their traditional police powers standing alone, Wisconsin v. Constantineau, 400 U.S. 433, 436 (1971), the broad sweep of the Twenty-first Amendment has been recognized as conferring something more than normal state authority over public health, welfare and morals. California v. LaRue, 409 U.S. 109, 114 (1972).

Forty-nine states and the District of Columbia have regulations specifically governing the advertising and promotion of beverage alcohol. These regulations are in addition to those enforced by BATF. They generally govern, among other things, the nature and content of advertisements in newspapers and magazines and on billboards, the types and placement of advertising signs and promotional materials by retail licensees, and the types of promotional activities in which manufacturers, wholesalers and retailers may engage. Most incorporate the provisions of the BATF regulations, and many contain additional provisions.

> [T]he Central Hudson test is essentially a balancing test. When the Twenty-first Amendment is considered in addition to Oklahoma's substantial interest under its police power, the balance shifts in the state's favor, permitting regulation of commercial speech that might not otherwise be permissible. (699 F.2d at 502).[17]

---

[16] The Constitution of Oklahoma bars advertising of alcoholic beverages with more than 3.2% alcohol. Because beer can contain 3.2% alcohol, beer advertising has been allowed, but advertising of wine and other alcoholic beverages is prohibited, except for on-premises signs. Print media within the state cannot carry alcohol ads (though publications originating outside the state can do so) and TV broadcasters have had to "block out" wine commercials in their network feeds. Cable TV operators were not required to do this until 1980, when the state's attorney general ruled that cable companies also fell under the purview of the law.

[17] The Supreme Court reversed the 10th Circuit on the narrow ground that the application of Oklahoma's alcoholic beverage advertising ban to out-of-state signals carried by cable operators in that state is pre-empted by the comprehensive federal regulatory scheme governing signal carriage by cable television systems. In weighing the conflicting federal and state interests at issue, the Supreme Court nevertheless accepted Oklahoma's judgment "that restrictions on liquor advertising represent a reasonable, albeit limited, means of furthering temperence." The Court expressly declined to consider the question whether Oklahoma's advertising ban constitutes an invalid restriction on protected free speech. 52 U.S.L.W. at 4810.

In Dunagin v. City of Oxford, Mississippi, the 5th Circuit upheld Mississippi's regulations prohibiting most alcoholic beverage advertisements. The Court pointed out that the Supreme Court cases reviewing state regulation of alcoholic beverages under the Twenty-first Amendment:

> ....employ a presumption in favor of validity, while ordinarily the burden is on the party defending a restriction on speech, even in a commercial speech case....It may follow that because any restriction on the advertisement of liquor itself is necessarily related, rationally and directly to liquor regulation, restrictions placed upon that advertisement by the states are consistent with the First Amendment. (718 F.2d at 745).

Thus, in Dunagin, although one of the trial courts below had found that "[d]efendants failed to produce concrete scientific evidence to substantiate their position that alcohol advertising artificially stimulates consumption thereof", as opposed to affecting only brand loyalty and market share, the appellate court held that the challenged regulation met the Central Hudson test, "since the added presumption in favor of validity...helps to establish the balance in favor of the state, if balancing is necessary." 728 F.2d at 748, 750.

D. The Evidentiary Issues Presented In Evaluating The Challenged Practices

1. The Issue of Materiality and Injury

As the preceding discussion of the Commission's deception and unfairness authority indicates, in the context of current alcoholic beverage advertising, there is a common evidentiary element necessary to support any of the petition's proposed industry-wide remedies. That element is that alcoholic beverage advertising is likely to lead consumers to abuse alcoholic beverages, not merely consume them.[18] The petition recognizes that the technical evidence does not demonstrate that alcohol advertising is likely to lead to increased consumption, much less abuse.[19]

---

[18] Of course, express misrepresentations, i.e., drinking improves your driving, or implied misrepresentations involving health, safety, or other areas in which the reasonable consumer would be concerned, would be actionable on a case-by-case basis under the Commission's deception authority without further evidence of materiality.

Appendix A, "Alcohol Advertising, Consumption, and Abuse," offers a detailed survey of econometric literature bearing on the effects of advertising on industry sales. Three main types of studies are considered: multi-industry studies, which examine the effect of advertising on industry sales in general; studies of the cigarette industry; and lastly, studies concentrating on alcohol. A number of the multi-industry studies also include alcoholic beverages among the products considered.

---

[19] In an attempt to dismiss the need for any reliable evidence in support of their regulatory proposals, the petition suggests that reliable evidence may be impossible to achieve, and therefore should not be required in support of any Commission remedy for the alleged ills associated with the challenged advertising and marketing practices. The petition's attempts to justify the imposition of regulatory remedies without supporting evidence is unpersuasive. While the assessment of the appropriate amount of evidence to support Commission action must recognize the consequences of failing to act, the Commission currently lacks the evidence necessary to make an assessment that the challenged marketing activities deceptively or unfairly lead to alcoholic beverage abuse. Further, the Commission lacks any evidence as to the relative effectiveness of the range of possible remedies in reducing any perceived injury; nor is there any data examining the possible unintended consequences of any of these remedies in restricting the flow of useful information about lawfully marketed alcoholic beverage products.

Most of the general industry studies have found little effect from advertising on industry sales for goods in general. Not all studies support this conclusion and the literature as a whole suffers from considerable methodological difficulties. Nonetheless, the preponderance of the evidence indicates that the industry-wide effect of marginal changes in advertising is likely to be quite small for most goods.

When it comes to the cigarette industry in particular, studies again find that advertising has little impact on industry's sales. The cigarette industry is a particularly interesting case study because the 1971 ban on broadcast advertisements significantly affected cigarette advertising. The situation, however, was complicated by the presence of the Fairness Doctrine, which required anti-smoking messages to be aired in proportion to the number of cigarette advertisements aired. The ban on broadcast cigarette advertisements also ended the required anti-smoking messages. These simultaneous occurrences severely hamper researchers' ability to obtain reliable results.

The role of advertising has been studied for the alcohol industry in its entirety and for such components as distilled spirits, beer and wine. While there are exceptions, the better part of the studies indicate advertising has no major impact on the alcohol industry in general or on its various components. Few of these studies, though, have addressed the issue of alcohol abuse.

One study that relies on self reported behavior is that of Atkin & Block (1980). This is the main piece of scientific literature cited in the petition. It and the other works cited in the petition are treated in a separate section of Appendix A. The general conclusion is that the work of Atkin & Block suffers from methodological flaws serious enough that it cannot be used to draw any conclusions concerning the effect of advertising on the total demand for alcohol or on the degree of alcohol abuse.

2. Need for Future Studies

Since the prevailing literature has not even resolved the issue of whether advertising increases total demand for alcohol, not to mention whether it contributes to alcohol abuse, the question arises whether further study should be undertaken. The petition specifically requests that the Federal Trade Commission do so. Most of the studies done so far seem to be the conscientious efforts of competent researchers, so the fact that they have not reached definitive or even consistent results does not bode well for future studies.

The chain of reasoning adopted by most researchers has been from advertising to consumption and then from consumption to abuse. The first link, that between advertising and consumption, is the one more amenable to statistical analysis and it is here that most of the empirical studies have concentrated. This topic is not without methodological difficulties of its own, however.

Most prominent is the severe simultaneity problem that exists between advertising and the level of consumption or sales. The difficulty lies in separating the problematical effect of advertising on sales from the much more powerful effect of sales on advertising that results when firms follow a policy of keeping a constant advertising/sales ratio. Statistical techniques exist, however, to mitigate this problem.

Another serious problem is that most studies estimate only the marginal effects of changes in advertising expenditures rather than the total effect that would be the consequence of a ban. Economic theory suggests that the impact of advertising on industry sales should be subject to diminishing returns. Usual methods of statistical analysis will only uncover the effect on sales of small changes in the total amount of advertising, starting from the actually observed level of advertising. This effect is likely to be significantly smaller than a similar change starting from the level of, say, no advertising. Thus the marginal impact of advertising obtained by the usual sort of statistical technique is likely to understate the total effect. While there have been studies that specifically consider bans, none of these have resulted in a consensus as to the significance of advertising restrictions. When the substantial work already done and the meager achievements gained in the face of severe methodological problems are considered, it is problematical whether further studies are warranted. It seems unlikely that a more striking result will be achieved than the standard one that the effect of advertising on sales is found to be small or more often statistically insignificant.

When it comes to the issue of advertising and abuse, the literature is much more sparse. Reasons are not hard to find. The ability to even measure or detect rates of alcohol abuse in a meaningful way is open to question. There is a consensus that whatever the economic determinants of alcohol abuse, there is also a wide range of other social and personal variables that would need to be accounted for in any careful statistical analysis. One would need populations, for example, in different states, that were similar in all these regards, but were exposed to significantly different levels of advertising, say, through the presence or absence of state bans on alcohol advertising. However, whether a state bars alcohol advertising or not is decided politically by the members of that state, making it unlikely that the populations of the two states could be sufficiently similar. This is all to say that any studies of alcohol abuse due to advertising are liable to be plagued by problems of measurement, omitted variables, and sample-selection bias.

3. The Issue of Remedies

In assessing the costs and benefits of any industry-wide regulatory action, the Commission also must measure the relative cost and effectiveness of any proposed remedies, as well as examine the unintended consequences of any of these remedies in restricting the flow of useful commercial information. To this end, when a ban is being considered, the Commission must: (1) measure the extent to which the ban has the intended results; and (2) measure the cost to consumers of being deprived of any useful product information as a function of the ban. In this regard, any advertising restrictions intended to limit alcohol abuse may be a blunt and inaccurate instrument. We have seen that the possible gains of such a restriction in terms of reduced abuse are difficult to assess; the costs of a ban to the vast majority of moderate drinkers, although difficult to quantify, appear more certain. Alcoholic beverage advertising, like advertising for other products, clearly assists consumers in identifying those types and brands that they prefer. Moreover, as discussed more fully in Appendix A, there may be a number of other beneficial effects to alcoholic beverage advertising that would be eliminated by a ban. For example, to the extent that advertising promotes new brand entry, advertising restrictions will deter the development of new brands. Thus, it might be more difficult for new types of low-calorie or low-alcohol drinks to develop a market. Knowing this, producers may be less likely to introduce such brands.

In sum, reliable evidence establishing that the challenged advertising and marketing practices are likely to lead to abuse, as well as evidence regarding the effects of any potential remedies, is a necessary predicate to Commission regulation in this area. While it may be possible to gather more reliable evidence on these issues, it is likely to be a complex and lengthy undertaking, calling for a major coordinated interdisciplinary effort involving experts in medicine, alcoholism, econometrics, marketing and consumer behavior.

E. The Bureau of Alcohol, Tobacco, And Firearms And Its Advertising Rulemakings

In examining the issue of alcohol advertising, the role of other federal agencies must be considered. Along with the Commission, BATF has concurrent jurisdiction over alcoholic beverage advertising under the Federal Alcohol Administration Act of 1935 (FAA Act), 27 U.S.C. §§ 201 *et seq.* Section 5(f) of the FAA Act, 27 U.S.C. § 205(f), prohibits "false", "misleading", "obscene", or "indecent" statements in distilled spirits, wine, or malt beverage advertisements. Even more broadly, Section 5(f) prohibits any statements relating to "irrelevant" matters, "irrespective of falsity", which the Secretary of the Treasury finds to be likely to mislead the consumer. Additionally, Section 5(f) confers the authority to require mandatory information "as will provide the consumer with adequate information as to the identity and quality of the products advertised."

The petition argues that BATF lacks the FTC's unfairness authority to deal with the sort of practices that are the subject of the petition's requests. Although the statutory language of the FAA Act differs from that of the FTC Act, the authority it confers on the BATF over alcoholic beverage advertising is extremely broad. The petition also contends that BATF's jurisdiction over beer advertising is limited. Under Section § 205(f), BATF's jurisdiction in regulating malt beverage advertising is specifically restricted to states where the law of such states imposes similar requirements. BATF's General Counsel's Office, however, takes the position that it can proceed under its statute against malt beverage advertising in any state that has laws (such as "little" FTC acts) that prohibit deceptive or unfair advertising generally, even though the state law does not specifically deal with beer. Lastly, the petitioners argue that BATF's authority does not extend to trade practices other than labeling and advertising. BATF takes the position that its "advertising" authority can be used to reach all of the promotional practices challenged by petitioners.

In the mid-1930's, BATF promulgated regulations under Section §205(f).[20] These regulations have remained basically unchanged until recently. In brief, these regulations require certain limited disclosures concerning ingredients, identity and alcoholic content, and list specific definitions for uniform usage of certain trade terms in any advertising statement relating to wine, distilled spirit or malt beverage products. In very broad terms, the regulations also generally prohibit false, misleading, obscene or indecent representations.

BATF has an ongoing compliance operation that enforces its current advertising regulations. According to Bruce Weininger, Chief, Industry Compliance Division, and Rick Allen, Chief, Product Compliance Branch, BATF has 15 professionals and 3 clericals that provide voluntary ad preclearance and ad monitoring for compliance with the FAA Act and the BATF's regulations. The staff reviews 300-400 alcoholic beverage ads a month through its clipping service and provides optional preclearance advice on 40-50 major alcoholic beverage advertising campaigns. This staff also reviews over 6,000 alcoholic beverage labels a month. The bulk of the staff's efforts appears directed at ensuring compliance with BATF's specific disclosure and trade term usage requirements. The staff, however, also reviews campaigns to ensure that the images (e.g., use of active athletes, operation of automobiles) portrayed are not "false" or "misleading."[21]

---

[20] 27 C.F.R. Part 4, Subpart G; Part 5, Subpart H; and Part 7, Subpart F.

In 1978, BATF issued an Advance Notice of Proposed Rulemaking seeking comments on updating and revising its alcoholic beverage advertising regulations. The scope of the Advance Notice is comprehensive and encompasses many of the issues raised in the CSPI petition now before the FTC. In the Advance Notice, the BATF noted that the advertising provisions of its regulations may be in need of revision due to changes in advertising techniques and practices, and changes in consumer education and awareness. Specifically, the Advance Notice stated:

> "There is need to take a new look at advertising practices due to the evolution and refinement of advertising techniques over the past 40 years. For example, the question

---

[21] The major administrative remedy provided by the FAA Act is license suspension or revocation. See, 27 U.S.C. § 204. Since BATF has licensing authority over all levels of the alcoholic beverage distribution chain, except retailers and malt beverage brewers, licensing authority provides a potent enforcement tool. Additionally, the FAA Act provides for civil and criminal sanctions. See, 27 U.S.C. § 207.

> of whether advertisements are directed toward certain population groups (i.e., youth) needs to be examined in the context of [BATF's] statutory mandate."

Some other issues specifically raised in the Advance Notice include:

1. How should the prohibition against any statement, design, device or representation which is obscene or indecent be implemented?
2. Is advertising based on sex appeal within the scope of the standard set forth in the statute, that is, obscene or indecent?
3. Should the use of active athletes in alcoholic beverage advertising be prohibited? Does the use of active athletes in this form of advertising imply a connection between the ability and prowess of the athlete and his use of the product?

The Advance Notice concluded by seeking comment on any "other current advertising practices which should be covered as to their allowance or prohibition." The BATF, in the Advance Notice, plainly suggested an expansive view of its jurisdiction over alcoholic beverage advertising.

In response to the 1978 Advance Notice, the BATF received 4,810 comments and 140 petitions containing over 4,000 signatures. Comments were submitted by the general public, members of the alcoholic beverage industry and trade associations, members of the advertising industry and media, attorneys, Federal governmental agencies, State and local agencies, educational institutions and other interested organizations, including CSPI. Many of the arguments made, and remedies proposed by CSPI, in response to the 1978 Advance Notice, are similar to those contained in its petition currently pending before the FTC. The overwhelming majority of comments received expressed personal opinions and religious beliefs concerning alcoholic beverages and did not specifically address the advertising issues raised in the Advance Notice. Of the 89 comments addressing the issues concerning advertising practices, 26 argued that advertising should not be youth-oriented, 16 argued that advertisements should not be success-oriented or depict consumption as being socially acceptable, 10 urged the prohibition of advertisements that imply excessive consumption, 4 contended that advertisements should not depict the operation of machinery, and 12 argued that advertising in youth magazines, or advertisements shown on television during prime-time should be banned. A large number of comments also sought mandatory warning labels and health hazard disclosures in advertising. Others urged mandatory industry public service announcements and a ban on subliminal techniques and practices.

The record compiled at the Advance Notice stage of the BATF proceeding contained almost no empirically-based expert testimony or research evidence to support these regulatory proposals. In December 1980, after analysis of the Advance Notice record, the BATF issued a Notice of Proposed Rulemaking concerning revision of its advertising regulations. The specific proposals set forth in this Notice were limited to a relatively narrow set of concerns. The Notice proposed certain standards for permissible use of the terms "light", "natural", "pure", "double distilled", and "triple distilled" in advertising. The Notice also specifically addressed the issues of curative and therapeutic claims, taste test claims, comparative advertising and disparaging claims. Additionally, the Notice proposed to ban subliminal advertising and to prohibit active athletes from appearing in advertisements for alcoholic beverages.

In July 1984, the BATF finalized certain of the proposed rules set forth in its 1980 Notice. The BATF affirmed a policy in favor of non-misleading product advertising be it in terms of comparative claims, curative or therapeutic claims, claims that a product is "pure" or "double distilled" or "triple distilled", or representations concerning the results of taste tests. The BATF also finalized a proposed rule banning the use of subliminal techniques in alcoholic beverage advertising.

The BATF plans to continue actively considering the broad issues raised by the 1978 Advance Notice. BATF has publicly stated that it will consider the use of athletes, other celebrities and athletic events in advertising in a forthcoming rulemaking. Another rulemaking will consider the incorporation of various industry code provisions (Wine Institute, U.S. Brewers Association, and Distilled Spirits Council of the United States) into its regulations.[22] In a speech to the National Association of Beer Wholesalers (NABW) on October 23, 1984, Tom George, Chief, Regulations and Procedures Division, BATF, said that he anticipated publication of these notices shortly.[23] In meetings with FTC staff, BATF staff have expressed concern that the Commission not undertake any activities in the area of alcoholic beverage advertising that may be potentially inconsistent with the outcome of the BATF's proposed rulemakings.

---

[22] For a discussion of these codes, _see_, pp. 34-38, _infra_.

[23] In the interim, BATF has urged the industry itself to take a more serious look at the relationship between its advertising and marketing practices and alcohol abuse. "Feds Rap Beer Promo Tactics", _Advertising Age_, November 1, 1984, at 2.

F. The Major Trade Groups And Industry Self-Regulation

In addition to governmental regulation of alcohol advertising, there are a number of trade associations representing various parts of the spirits, wine, and beer industry that have advertising codes setting forth ethical standards of conduct for their respective members. The most widely known code restrictions are the prohibition on distilled spirits ads on television or radio and the taboo on the actual drinking of alcohol in commercials. Some of the codes also discourage appeals to children, the use of sexuality, the exploitation of women, and the use of bad taste. For example, The Code Of Good Practice, adopted in 1975 by Distilled Spirits Council of the United States (DISCUS) contains statements like, "all advertisements of distilled spirits shall be modest, dignified and in good taste."[24]

---

[24] DISCUS is an association of the U.S. Distillers who produce over 95% of the distilled spirits made in the United States. The distilled spirit industry is represented at the wholesale level by the American Beverage Alcohol Association.

Further, DISCUS has established a code review board consisting of five members that considers complaints lodged by its members or other interested parties. The findings of the board are communicated to the responsible advertiser and, if appropriate, to all members of the Board of Directors of DISCUS.

The Guidelines For Beer Advertising, first adopted in 1975 by the United States Brewers Association (U.S.B.A.), and recently revised, discourage ads that contain appeals for overindulgence, links to dangerous or criminal activities, depictions of loss of self-control, even slightly lewd or obscene material, the use of young models, and the depiction of unkempt taverns.[25]

In addition, the U.S.B.A. formulated an advertising review panel comprised of impartial experts on public opinion, none of whom is associated with the brewing industry. The objectives of the panel are to provide a means of industry self-regulation, to avoid advertising that might injure the industry, and to seek withdrawal of undesirable advertising. Any brewer may file a complaint or criticism with the panel. The complaint is then considered by the panel and if upheld, brought to the attention of the responsible brewer.

---

[25] The United States Brewers Association represents the beer industry at the producer's level. Its membership includes the producers of 2/3 of all the beer bottled in the United States. Miller, however, the nation's second largest brewer, is not a member of this association.

The Wine Institute's Code Of Advertising Standards, adopted in 1978, disallows ads that suggest excessive drinking and the use of wine in conjunction with dangerous activities and driving.[26] The code discourages: "any attempt to suggest that wine directly contributes to success or achievement....Wine shall not be presented as being essential to personal performance, social attainment, achievement, success or wealth." The use of wine for personal problem solving, social acceptance, or entertainment is also prohibited. More specifically, the Code generally requires that the use of wine be depicted in association with a meal-type setting. The Wine Institute additionally bars strategies that appeal to youth, i.e., young models, youth music, and celebrities, as well as placing ads in "youth-oriented media."

---

[26] The Wine Institute represents 95% of all California wineries accounting for 70% of the national wine market; the balance of the United States wineries is represented by the Association of American Vintners.

The trade association codes are necessarily voluntary; the association members, however, must agree to abide by the guidelines of the codes as a condition for membership in the respective associations. Although voluntary, these codes as well as the review panels help industry to avoid practices that might be misleading, or that otherwise might be objectionable.

The trade associations, along with FTC and BATF staff and other organizations, also are actively participating in a program sponsored by the Office of Juvenile Justice and Delinquency Prevention of the U.S. Department of Justice (OJJDP) to develop other voluntary approaches to the problem. This program seeks to bring together concerned citizens groups, government organizations, the media, advertising, entertainment, and the alcoholic beverage industries to formulate a consensus on how society can better address drug and alcohol abuse among youth and adults. A large part of the joint undertaking currently centers on the Media Task Force. This task force plans to collect and evaluate existing research on both the effects of broadcast and print alcoholic beverage advertising and on the effects of broadcast PSAs and print campaigns conveying messages on the dangers associated with alcohol abuse and alcoholism. The task force also plans to review existing advertising and public information efforts and hopes to develop new public service approaches and campaigns.

Such undertakings as the OJJDP program provide an important opportunity to explore how self-regulatory mechanisms in the alcoholic beverage area can be improved to better ensure that advertisements do not contain themes or techniques that may affect youth or problem drinkers.

G. PUBLIC INFORMATION APPROACHES

1. Overview

Although we recommend that the petition be denied, we believe that there are other ways in which government activity may have an impact on reducing the problems associated with alcohol abuse: establishing minimum drinking ages and similar restrictions on consumption; greater and more certain civil and criminal sanctions for conduct likely to cause injury -- for example, driving while intoxicated; and facilitating public education, counseling and treatment programs. All of these other efforts can be supported and enhanced by properly structured public information campaigns.

As part of our inquiry into the issues raised by the petition, we looked not only at counteradvertising or affirmative disclosures as a remedy for deceptive or unfair advertising, but at affirmative information programs regarding health, treatment and the law. Our review indicates that a great deal of analysis is needed in this area. For example, in 1978, after reviewing, evaluating, and summarizing the existing knowledge regarding alcohol and highway safety in the United States, the National Highway Traffic Safety Administration (NHTSA) found that:

> The inadequacy of the designs for evaluation and of other features of campaign development has made it difficult to determine the exact nature and extent of the impact of most alcohol-highway safety media campaigns. Pre- and post-testing has been done for almost all campaigns, but very few of them have used control groups.[27]

The report concluded, however, that some evidence existed to support the conclusion that public information and education campaigns, in combination with stricter legal sanctions or improved health treatment programs, have contributed to positive changes in behavior. The impact of the public information and education campaigns, however, could not be isolated from the impact of the other countermeasures.[28]

---

[27] Jones, Ralph K. and Joscelyn, Kent, B., Alcohol and Highway Safety 1978: A Review of the State of Knowledge (Summary Volume), U.S. Department of Transportation, National Highway Traffic Safety Administration, at p. 66.

What is clear is that since the early 1970s, public education efforts using mass communications have been considered an important part of national efforts to prevent or minimize alcohol-related problems. Numerous government, industry, and voluntary organizations have undertaken such campaigns. The following discussion of some of the activity in this area is intended to be representative, not exhaustive.

2. Federal Agency Programs

The National Institute on Alcohol Abuse and Alcoholism (NIAAA), the Department of Transportation and the Department of the Treasury are the federal agencies that primarily organize and disseminate public information campaigns.

---

[28] *Id.* at 67.

The NIAAA, from early 1972 to 1975, for example, conducted a media campaign around the themes of responsible drinking and awareness of the symptoms, consequences, and treatability of alcoholism. All forms of media were used in the campaign, including radio, television, and print ads.

In 1980, NIAAA joined with BATF to educate the public -- and women of childbearing age in particular -- about the detrimental effects of alcohol on the developing fetus. Less extensive in scope than the earlier NIAAA campaign, this effort used a television public service spot and brochures, both to be distributed via State alcohol agencies. In addition to the public education campaigns, the effort also included mailings to health professionals. That same year NIAAA launched a nationwide public education effort focusing on women and youth -- both considered to be groups at risk for the development of alcohol problems and underserved by present health-care systems.

The BATF also produced a TV public service announcement aimed at the middle-class woman concerning Fetal Alcohol Syndrome (FAS). An illustrated booklet aimed at young people is also being distributed in three versions (English, Spanish, and English for American Indians). Thirteen states ordered the booklets for distribution through their retail liquor stores.

NHTSA, a part of the Department of Transportation (DOT), also engages in public awareness efforts. A national media effort that began in 1971 and continues today focuses on drinking and driving as a major social problem, with the theme that the problem drinker who drinks excessively and then drives is largely responsible for alcohol-related highway fatalities and injuries. In addition to its national media effort, NHTSA also initiated a program establishing local Alcohol Safety Action Projects (ASAPs) in communities in many states, combining public information and education components with other countermeasures such as law enforcement and driver education. Between 1970 and 1977, DOT committed $88-million to ASAPs across the nation.

In 1974, NHTSA adopted as its national campaign slogan, "Friends Don't Let Friends Drive Drunk". This slogan is designed to encourage people to intervene when they know they should, but may feel uncomfortable about doing so.

Other Federal agencies also are involved in information programs concerning alcohol abuse. The Department of Defense has developed a number of informational and educational campaigns designed to combat alcohol abuse on military bases. The Food and Drug Administration has produced several articles and a slide show for distribution and has featured FAS in an issue of its Drug Bulletin, which reaches more than a million health care providers. In addition, FDA consumer affairs officers in 35 major cities were provided information columns about FAS to be placed in small, local papers.

3. State And Local Government Programs

State and local governments have also become involved in public education programs. Many states have initiated FAS campaigns using their own materials or materials provided by the License Beverage Information Council (LBIC)[29], the National Council on Alcoholism, and other private organizations.

For example, the Pregnancy and Health Program of the University of Washington has produced several brochures and PSAs. The brochures, alerting women of childbearing age to a treatment and education program at the University, have been distributed in a variety of settings, including state liquor stores. Subsequent to distribution of the brochures, the University noted a significant increase in inquiries concerning the programs.

---

[29] The LBIC is a consortium of ten major trade groups in the alcoholic beverage industry. The ten industry groups are: Association of American Vintners, Distilled Spirits Council of the United States, Inc., American Beverage Alcohol Association, National Association of Beverage Importers, Inc., National Beer Wholesalers' Association of America, National Licensed Beverage Association, National Liquor Stores Association, Inc., United States Brewers Association, Inc., Wine and Spirits Wholesalers of America, Inc., and the Wine Institute.

4. Private Sector Efforts

The private sector, via voluntary and industry agencies, has also participated in alcohol informational campaigns.

Of the voluntary agencies, the National Safety Council (NSC) has the longest history of involvement in alcohol-related public education. Its "If you drink, don't drive" campaign began shortly after World War II. A campaign on drinking and driving that began in 1970 also concentrated on the problem drinker's contribution to alcohol-related highway accidents and attempted to garner support for stricter law enforcement to get the problem drinker off the road. NSC continues to disseminate printed material on drinking and driving.

Several private organizations such as the American Automobile Association, the March of Dimes, the American Council on Alcoholism, and the National Council on Alcoholism have produced films, radio public service announcements, and brochures in English and Spanish.

The liquor industries in both the United States and Canada have been active in public education campaigns that stress moderate and responsible use of alcohol. For example, the U.S.B.A. and DISCUS are cooperating in safety programs on drinking and driving with NHTSA and the various states. The DISCUS "Know Your Limits" campaign offers specific guidelines on consumption effects and calls for "sensible drinking".

Besides the activities of the major trade associations, individual producers have sponsored their own campaigns. For instance, a moderation campaign conducted by the Seagram distillers began in 1934 with an ad encouraging the reader to "drink moderately." Subsequent ads have concerned such topics as drinking and driving, the dangers of mixing drugs and alcohol, the need for people with drinking problems to see their physicians, and the importance of moderation for young people.

The broadcasting industry is also involved in alcohol-related public educational campaigns. The National Association of Broadcasters (NAB) has promoted an industry-wide campaign to encourage its members and associates to disseminate information about alcohol use and abuse and highway safety. For example, the NAB has made a publication available to its members and associates entitled, "Drunk Driving: Broadcasters and Public Awareness." This booklet provides NAB members and associates with a compilation of organizations which may be contacted to aid broadcasters in communicating effective drunk driving PSAs to their audiences. Several state broadcaster associations are currently developing and disseminating PSAs.

5. The Need For Additional Examination

As the above discussion illustrates, the number of public awareness efforts undertaken to reduce the problem of alcohol abuse is impressive. Equally striking, however, is how little is known about the overall structure of the information being provided or the effectiveness of any given effort.

-- The many public awareness efforts undertaken by Federal agencies, state and local governments, as well as voluntary and industry organizations appear to be fragmented and uncoordinated. No single agency or office at the Federal level knows who in government and industry is disseminating what information, where, and to whom. Moreover, no inventory of information regarding the relative effectiveness of specific information campaigns exists. To the extent that information has been shared, it has been ad hoc and haphazard.

Thus, an analysis and evaluation of the existing structure of public informational campaigns in the area of alcohol abuse and alcoholism and of how this structure may be improved is needed. Such an undertaking is likely to require extensive resources and expertise well beyond those generally available to one agency, but may net great consumer benefits (by decreasing alcohol abuse).

H. Commission Options

The possible Commission responses to the issues presented by the CSPI petition fall into three general categories.

1. Institute Rulemaking Proposals To Deal With The Issues Raised By The Petitioners

A rulemaking approach is the most comprehensive Commission response. It confronts the Commission with the methodological problems associated with (1) assessing the behavioral effects of alcoholic beverage advertising and marketing practices, and (2) evaluating the relative effectiveness as well as the direct costs and indirect market consequences of the range of possible regulatory remedies.

This approach would require an unusually substantial and long-term program commitment. Since staff currently possesses little evidence to suggest the presence of the industry-wide law violations alleged in the petition, engaging in rulemaking proceedings may not be the most efficient expenditure of the Commission's resources. Moreover, to the extent a broad investigation might support a finding that certain industry-wide advertising practices are unfair, the Commission does not currently have authority to issue remedial rules. Additionally, any industry-wide approach may duplicate or be inconsistent with concurrent BATF rulemaking proceedings.

2. Take Individual Enforcement Actions Limited To Specific Advertising Campaigns That Deceptively Or Unfairly Encourage Alcohol Abuse.

This option would have the staff undertake individual enforcement investigations against specific advertising campaigns. In recommending that this petition be denied, the staff does not intend to foreclose the option of pursuing individual cases where warranted. As part of our review of the issues raised by the petition, the staff has reviewed numerous alcoholic beverage advertisements. While some of these advertisements may be distasteful, they do not appear to be likely investigatory targets. Of course, as part of the advertising monitoring program, the staff will continue to monitor and review alcohol advertisements.

3. Defer To BATF On The Issues Raised By The Petition

Since BATF is actively seeking comments and evidence on the impact of discrete alcoholic beverage advertising practices and techniques in its ongoing rulemaking activities, a parallel Commission examination of the same issues might involve costly duplication and, ultimately, potentially inconsistent regulation. This option entails Commission deference to the expertise of BATF regarding the issues presented in the petition.

To the extent that the BATF proceeds to consider the same alcoholic beverage advertising and marketing issues suggested by the petition, the Commission could make available its technical, economic, and other expertise should BATF determine that such expertise might be useful in developing and analyzing its rulemaking record. This input could probably most effectively be provided informally through a close working relationship with BATF.

I. Conclusion And Recommendations

Staff recommends that the petition be denied.

The alcoholic beverage advertising and marketing practices challenged by petitioners do not expressly urge individuals to become problem drinkers. And without extensive, and perhaps unobtainable evidence, the Commission cannot assume that all, or even some alcohol advertising has this effect. Further, the Commission in exercising its law enforcement mandate, is unlikely to be able to draw an adequate line between those alcoholic beverage advertisements that truthfully provide information that helps to sell this lawful product, and those ads that may contribute to the problems of alcohol misuse.

Additionally, as noted previously, BATF currently is engaged in rulemaking proceedings that may consider many of the same issues as those raised by the petition. Commission deference to BATF under these circumstances appears appropriate.

Ultimately, the Commission might make its most effective contribution to helping to reduce alcohol abuse by lending its expertise to a comprehensive interagency analysis of current and potential public information efforts to inform the public fully regarding health, treatment and the law.

APPROVED:

Wallace S Snyder 5/6/85

Wallace S. Snyder
Associate Director
Division of Advertising Practices
Bureau of Consumer Protection

Paul H. Rubin

Paul Rubin
Assistant Director for
Consumer Protection
Bureau of Economics

Richard S. Higgins
Deputy Director for
Regulation Analysis/
Consumer Protection
Bureau of Economics

CONCUR:

Carol T. Crawford
Director
Bureau of Consumer Protection

Wendy L. Gramm
Director
Bureau of Economics

APPENDIX A

ALCOHOL ADVERTISING, CONSUMPTION, AND ABUSE

Bureau of Economics

Federal Trade Commission

March 5, 1985

Mark Frankena, Mark Cohen, Timothy Daniel,
Lisa Ehrlich, Nathaniel Greenspun, and Donald Keenan

CONTENTS

I. AN ECONOMIC PERSPECTIVE ON ADVERTISING RESTRICTIONS . . 1
  A. Benefits of Advertising Restrictions 1
  B. Costs of Advertising Restrictions 3
  C. Alternatives to Advertising Restrictions 4

II. EMPIRICAL LITERATURE REVIEW 4
  A. General Advertising Studies 5
  B. Cigarette Advertising Studies 7
    1. Cigarette Advertising and Total Consumption 7
    2. Health Information and Anti-Consumption Ads 8
    3. The Broadcast Advertising Ban 8
    4. Evaluation 9
  D. Alcohol Advertising Studies 9
    1. Alcohol Advertising and Total Consumption 10
      a. Behavioral Studies 10
      b. Experimental Studies 10
      c. Self-Reported Behavior 11
    2. Advertising Restrictions 11
    3. Consumption and Abuse 12
  E. Public Information Campaigns 12
  F. Conclusions 13

Appendix A-1: Discussion of empirical support cited in the omnibus (CSPI) petition 14

Appendix A-2: Annotated bibliography on the effects of advertising on industry demand 17
  I. General studies 17
  II. Cigarette industry 26
  III. Alcohol industry 34

References 49

ALCOHOL ADVERTISING, CONSUMPTION, AND ABUSE

The principal purpose of this report is to survey and evaluate the existing empirical literature on the effect of advertising on alcohol consumption. Before undertaking that review, we consider the broader economic issues raised by possible restrictions on alcohol advertising. From this discussion it will be clear why the empirical literature does not address a number of crucial issues. In part this reflects the fact that the necessary data are not available.

I. AN ECONOMIC PERSPECTIVE ON ADVERTISING RESTRICTIONS

Evaluation of possible restrictions on advertising should take into consideration the benefits and costs of such restrictions and of alternative policies. These are discussed in the following sections.

A. Benefits of Advertising Restrictions

The potential benefit of alcohol advertising restrictions would be a reduction in alcohol abuse, particularly alcoholism and drunk driving, which have enormous personal and social costs. However, no theoretical argument or empirical evidence suggests that alcohol advertising has a significant effect on abuse. Alcohol abuse is a complex public health problem. There seems no reason to assume that advertisements for alcoholic beverages induce significant numbers of people to become alcoholics or to violate the laws against drinking and driving.

Empirical research has investigated the effect of alcohol advertising on total consumption. Even if such a link could be established, there would be no basis for inferring an additional link between consumption and abuse. This is because, unlike cigarette smoking, consumption of alcohol in moderation by most adults in appropriate situations has no adverse effects and may have health benefits.[1]

Even though the problem is abuse rather than consumption of alcohol, we have reviewed the theoretical arguments and empirical studies concerning the effect of alcohol advertising on consumption, particularly the effect on demand.

Economic theory predicts that demand for alcoholic beverages would be greater with the level of advertising currently observed than in a hypothetical world without any advertising at all. This prediction follows from advertising's informational role. By providing information about products and sellers, advertising helps consumers identify more satisfying products. In addition, advertising provides a way for firms to build reputations, which in turn provides incentives to supply high quality products that consumers wish to purchase. In general, consumers would not respond to advertising if they did not believe that in so doing they increase their satisfaction. Furthermore, firms would not advertise if consumers did not respond, since advertising is costly. Because advertising enables consumers to achieve greater satisfaction from consumption, profitable advertising will tend to cause consumers to purchase more at a given price. Thus, theory predicts that advertising will increase total industry demand.

---

[1] Gordon and Gordon, 1984, find that moderate consumption of alcohol slightly reduces the risk of heart disease. On the other hand, the Surgeon General has concluded that alcohol consumption during pregnancy may harm the fetus. Advisory Opinion, U.S. Surgeon General, July 1981, cited by Omnibus Petition, p. 9.

Although theory predicts the qualitative nature of the relationship between advertising and demand, it is silent about the magnitude of the effect. At the level of advertising currently observed, a marginal change in the level of advertising expenditures may have only a small effect on demand. In fact, when we discuss the empirical literature later in this report, we will see that most studies of alcohol and other advertising have found little or no effect of variations in advertising on total industry demand and consumption. While the uniformity of this result is striking, it does not mean that marginal changes in advertising have no effect at all. Studies could have failed to uncover a relatively small but important effect because the data were insufficient in quantity and quality to separate the effect of advertising from other changes that were occurring at the same time.

In any event, because of diminishing returns, economic theory predicts that the total effect of all advertising on demand exceeds the effect of the last dollar, multiplied by the total level of advertising expenditures. This difference between total and marginal effects is important to keep in mind because, typically, economists are able to measure only marginal effects. Econometric techniques cannot measure the total effects of advertising unless there are real world situations with and without advertising. While some of the studies reviewed below attempt to analyze the effects of advertising bans, most rely on variation in advertising expenditures and sales in markets where advertising was permitted, and thus estimate marginal effects of advertising on demand.[2]

In summary, we reach the following conclusions concerning the potential benefits of restricting alcohol advertising: The bulk of existing empirical literature addresses the effect of marginal changes of advertising expenditures on total demand or consumption. Little or no effect is confirmed for broadly defined industries such as alcoholic beverages. This makes it highly unlikely that a substantial effect exists, but it is possible that a small effect exists that the studies did not find because of paucity of data. However, these studies on the effects of *marginal* changes in advertising on consumption tell us nothing about the effect of *all* advertising and do not provide an empirical basis to predict the effects on consumption of a broadcast advertising ban or ad content restrictions. The few studies that do look at large changes in advertising (specifically, studies of the ban on cigarette advertising on TV) are inconclusive, and find at most a very small change in overall consumption. Finally, none of the theoretical or empirical discussion of effects of advertising on consumption sheds light on the real issue, which is the effect on alcohol abuse.

---

[2] There are partial advertising bans for alcohol in a few states and Canadian provinces. In principle, data from these cases might be used to determine the effects of such partial bans at the state level. However, a state ban that applies only to ads originating locally is not comparable to a national ban. Also, there are a number of studies of the effects of the cigarette broadcast advertising ban, but it is difficult to separate the effects of the ban and the simultaneous elimination of anti-smoking ads. These issues are discussed in detail below.

B. Costs of Advertising Restrictions

While it is unclear whether restrictions on alcohol advertising would yield social benefits, there are convincing reasons to believe that advertising of alcoholic beverages serves socially useful purposes, and that advertising restrictions would have significant costs. In considering these costs, it is worth repeating that consumption of alcohol in moderation by adults in appropriate situations has no adverse effects and may have health benefits. Thus, as in the case of other goods, greater information and lower prices benefit consumers.

Advertising can contribute to the achievement of an efficient allocation of resources and benefit consumers in several different ways. Most of the benefits of advertising stem from its role in increasing the flow and reducing the cost of information to consumers.

First, advertising provides information about product characteristics that enables consumers to make better choices among available goods. Such information can enable consumers to choose the particular products or brands that best satisfy their preferences. Thus, advertising may lead to expansion of the market shares of superior brands or brands that cater to particular tastes.[3] Moreover, the ability of a firm to inform consumers about the characteristics of its products will increase the firm's incentive to adapt its products to better suit consumer preferences. This will encourage improvements in quality, and innovations such as low alcohol, low calorie beer and wine. Similarly, advertisements contain a variety of other types of information that is useful to consumers. For example, firms may inform consumers about lower prices or special offers. They may also inform consumers about the appropriate use of products, such as when to serve dry rather than sweet wine.

Second, theoretical arguments and empirical studies indicate that advertising increases new entry and price competition and hence reduces market power and prices in at least some industries.[4] Advertising facilitates entry by lowering the information barrier imposed by the fact that consumers have more experience with established brands than with new ones. Advertising increases price competition by making it easier for firms to communicate the fact that they are offering lower prices or new products. Some industries where there is empirical support for this argument are eyeglasses, toys, prescription drugs, and legal services.[5] In both cases advertising restrictions were associated with higher prices.

---

[3] There is considerable evidence in the marketing literature that advertising does in fact change market shares. Ackoff and Emshoff, 1975, and Lambin, 1976.

[4] Advertising might act as a barrier to entry to the extent that it is subject to economies of scale. Comanor and Wilson, 1974, present the argument that advertising may be an entry barrier; Shapiro, 1982, criticizes their argument.

Third, advertising facilitates the development of brand reputations. A reputation, in turn, gives a firm an incentive to provide products that are of consistently high quality, that live up to claims that are made for them, and that satisfy consumers. If a firm does not satisfy consumers, it will not attract the repeat sales that it needs to make its investment in advertising pay off and will lose its reputation.[6]

Two additional considerations should be kept in mind in considering a ban on broadcast advertising for beer and wine. First, a ban on one form of advertising will, to some extent, induce firms to substitute other more expensive or less effective forms of advertising. One would expect a broadcast ban to increase print and billboard advertising. To the extent this occurs, the ban wastes resources by raising costs. Second, to the extent that beer and wine advertising affects consumption, a major part of the effect might be to encourage consumption of beer and wine rather than hard liquor. This is particularly likely for young people, who receive much of their product information from TV. Thus, a ban on broadcast advertising of beer and wine might increase consumption of hard liquor by young people.

C. Alternatives to Advertising Restrictions

In evaluating use of advertising restrictions to deal with alcohol abuse, it is important to consider the merits of other forms of government intervention that might have equal or greater benefits and lower costs. In particular, since the problem is alcohol abuse rather than consumption, it would make sense to adopt policies that focus specifically on abuse. An example might be stricter enforcement and greater penalties for driving while intoxicated. In the area of information, rather than restrict advertising, the government might undertake campaigns to discourage drunk driving, to encourage people with drinking problems to seek counselling and treatment, and to alert pregnant women to the hazards of alcohol consumption. Certain policies aimed at consumption might also be appropriate where the consumption is highly likely to have undesirable effects. Minimum drinking ages would be an example.

II. EMPIRICAL LITERATURE REVIEW

The remainder of this report surveys and evaluates the existing empirical literature on the effects of advertising on alcohol consumption and abuse. It covers not only research on alcohol advertising but also studies that provide a basis for useful inferences on alcohol advertising. After a brief discussion of hypotheses on the effects of advertising, we begin by reviewing studies that use data for many different industries. Next, we consider studies of cigarette advertising, which are useful on issues involving advertising bans and anti-consumption ads. Then we survey and evaluate studies that deal specifically with alcohol advertising. A final section offers conclusions. At the end are two subappendices. The first evaluates the studies relied upon in the CSPI petition; the second is a lengthy annotated bibliography.

---

[5] On eyeglasses, see Benham, 1972, and Bond, 1980; on toys, see Steiner, 1973; on prescription drugs, Cady, 1975; and on legal services, Jacobs et al., 1984. Kessides, 1983, presents empirical research supporting the theory that advertising facilitates entry in many industries.

[6] Klein and Leffler, 1981. Nelson, 1974, argues that advertising helps direct consumers to higher quality goods. The concept of advertising as an efficient "signal" of high quality has been explored by Milgrom and Roberts, 1984, and Kihlstrom and Riordan, 1984.

This review emphasizes empirical studies that test for effects of advertising on consumption behavior. We focus on statistical analyses of real world data. In the case of studies dealing specifically with alcohol, we also review experimental studies of the effects of advertising on consumption under laboratory conditions, even though it is difficult to apply the results to the real world. However, we have not included studies of the effects of advertising on consumers' self-reported attitudes because there is no way to predict the effects of self-reported attitudes on actual consumption.

A. General Advertising Studies

A number of studies use statistical techniques and real world data to test for the effect of advertising on total consumption in each of many industries over a period of a decade or longer.[7] These studies generally estimate the effect of advertising on consumption while using statistical techniques to hold constant the effects of variables such as industry price and consumer income. Because price is held constant, the results of these studies can be interpreted as estimates of the effect of advertising on consumer demand for an industry's product.

We reviewed the most important of these studies as well as other reports that survey this literature.[8] The large majority of such studies found little or no effect of advertising on total industry demand.

The principal exception to this generalization is a controversial study by Comanor and Wilson (1974), for which the principal results cover 28 industries during 1948-64. Comanor and Wilson found that advertising had a significant positive effect on industry demand in 10 industries. This study and its results have been widely criticized. One problem is the use of IRS data for advertising expenditures.[9] Grabowski (1976) used different advertising data and found no impact of advertising on total demand.

All of the studies reviewed suffer to a greater or lesser extent from problems in their data and methodology, which limit their reliability. Available data on advertising expenditures are likely to be of questionable quality,[10] partly because it is not in the interest of firms to disclose their expenditures to competitors. The criticism of the IRS advertising data has been mentioned above. Most data are for annual time periods, while data for shorter periods might be necessary to uncover any effects of changes in advertising.[11] Also, the typical number of observations, around twenty, is small for statistical purposes. A larger number of observations might be required to confirm an effect of advertising on total demand, particularly if this effect was small relative to that of other variables. As we noted earlier, the fact that studies do not find a significant effect of advertising on total demand may reflect the paucity or low quality of data and may not justify a conclusion that advertising does not have such an effect.

---

[7] In most of these studies, this topic is only one of several issues investigated rather than the principal focus.

[8] We reviewed studies by Grabowski, 1976, Lambin, 1976, and Wilder, 1974, and surveys by Albion and Farris, 1981, and Schmalensee, 1972.

[9] Grabowski, 1976, and Schmalensee, 1972.

Most studies done before about 1970 and some done since are also flawed in their statistical methodology, which does not take account of what might be called "reverse causation." This refers to the fact that when a given industry has larger total sales, all firms combined will tend to spend more on advertising. Thus consumption will tend to be correlated with advertising expenditures regardless of how advertising affects total consumption. Failure to deal with this problem would tend to cause a study to conclude that advertising has a larger effect on industry demand than it in fact does. However, since 1970 studies have generally used statistical techniques to overcome this problem.[12]

Another problem with studies that deal with broad industry aggregates is that they do not consider the effects of advertising by other industries on the demand for the output of the industry in question. As a result, these studies will tend to underestimate the effect of an industry's advertising on its own demand. For example, suppose that soft drink advertising tends to increase whenever alcohol advertising increases, perhaps because both respond in the same way to changes in advertising costs. Suppose also that soft drink advertising partially offsets the effect of alcohol advertising on the demand for alcohol. In this case, the estimated effect of changes in alcohol advertising on demand for alcohol will actually be an estimate of this effect *net* of the offsetting effect of associated changes in soft drink advertising. This will tend to underestimate the effect of changes in alcohol advertising alone, including the effects of alcohol advertising restrictions.

The significance of the problems of data and methodology is suggested by the fact that some studies have produced questionable results on matters other than the link between advertising and total demand. Some find that price increases do not reduce industry sales significantly.[13] Some find that advertising does not affect even firm sales, which implies that firms irrationally advertise even when doing so reduces profits.[14] Also, some of the models have proved to be unreliable for prediction.[15]

---

[10] Bourgeois and Barnes, 1979, for alcohol.

[11] Schmalensee, 1972, pp. 214-15. However, Duffy, 1982, and Hagen and Waterson, 1983, used quarterly data for alcohol and found no effect of advertising on industry demand.

[12] Nevertheless, in the case of studies that deal specifically with cigarette or alcohol advertising, even some recent studies do not use appropriate statistical techniques.

[13] Comanor and Wilson, 1974, Grabowski, 1976, Peles, 1971, Schmalensee, 1972 (cigarettes), Bourgeois and Barnes, 1979 (alcohol), and Hagen and Waterson, 1983 (wine). On the other hand, in the case of cigarettes, Doron, 1979, arrived at an implausibly high estimate of the responsiveness of demand to price.

Apart from these issues of reliability, problems arise in using the results of even a reliable study of the type available to predict the effect of a ban on broadcast advertising or other major regulatory changes. As we noted earlier, existing studies test for effects of changes in advertising expenditures within the range observed during recent years. As a result, they are directly useful in answering questions about the effect of reducing advertising expenditures by, say, 5 percent. However, even if one knew that a reduction of this sort would have only a negligible effect on industry demand, one could not validly infer that a ban on advertising or on broadcast advertising or a restriction on the content or location of ads would have no significant effect.

B. Cigarette Advertising Studies

We have reviewed the empirical literature on cigarette advertising and consumption because the cigarette market provides an opportunity to study important issues that are not covered in detail in the general and/or alcohol advertising literature, particularly the effects of an advertising ban and of anti-consumption ads and other forms of health information. The findings of the cigarette literature on these topics will be discussed after we consider the effects of commercial advertising on total cigarette consumption.

1. Cigarette Advertising and Total Consumption. Most of the large number of studies of cigarette company advertising have found little or no effect of changes in total advertising on total consumption. This result is consistent with that for the multi-industry studies reviewed above.

For example, according to Hamilton's 1972 review of the literature from the period before the widespread dissemination of health risk information in 1953, early studies found little or no effect of advertising on total demand. Virtually all recent studies reach the same conclusion.[16]

The cigarette advertising literature also provides some empirical information on the effect of advertising on consumption through the price of the product, apart from the effect through total industry demand at a given price. Schneider *et al.* (1981) suggest that advertising raises cigarette costs and hence prices. By contrast, Porter (1984) concludes that advertising reduces market power and prices. Although the results are contradictory, they do suggest that predictions about the effects of advertising on total consumption must consider price as well as demand effects.

---

[14] Schmalensee, 1972.

[15] Porter, 1984, concerning Ippolito et al., 1979, and Schneider et al., 1981.

[16] Hamilton, 1972, Schmalensee, 1972, Wilder, 1974, Grabowski, 1976, and Schneider et al., 1981, find no significant effect. Doron, 1979, Lewit et al., 1981, and Porter, 1984, find a small effect. Comanor and Wilson, 1974, find no effect with some statistical techniques and an effect with others; the technique that controls for reverse causation indicates no effect.

2. Health Information and Anti-Consumption Ads. Studies of cigarette consumption provide useful empirical measures of the importance of health risk information in determining consumer demand. Studies deal with three factors that changed consumer information:

a. In 1953-54, the American Cancer Society reported on health risks of smoking, and *Consumer Reports*, *Reader's Digest*, and at least sixteen other national magazines published articles on the health hazards of smoking. Hamilton (1972) concludes that this information reduced total demand for cigarettes, but Ippolito *et al.* (1979) conclude that the 1953-54 information did not permanently affect total demand. Schneider *et al.* (1981) find that the primary response to the 1953 health information was a movement by cigarette smokers to filter cigarettes, which have less tobacco.

b. In 1964-65, a report by the Surgeon General confirmed the link between smoking and lung cancer and Congress required a health warning on cigarette packs and in print ads. A large number of studies find that the Surgeon General's report reduced total cigarette or tobacco demand.[17]

c. In 1968, under its Fairness Doctrine the FCC required that an anti-smoking ad be broadcast for every four pro-smoking ads. These anti-smoking ads ended when the cigarette broadcast advertising ban went into effect in 1971. Hamilton (1972), Doron (1979), and Porter (1984) conclude that these anti-smoking ads reduced total demand for cigarettes. Lewit *et al.* (1981) reach a similar conclusion for teenagers. By contrast, Ippolito *et al.* (1979) find little effect from either the introduction or the removal of anti-smoking ads.[18]

3. The Broadcast Advertising Ban. In 1971 all cigarette advertising was banned from radio and TV broadcasting. As one would expect, the broadcast ad ban led to a reduction in total cigarette advertising expenditures. However, there was evidently an increase in non-broadcast advertising that partially offset the elimination of broadcast advertising.[19]

In principle, the cigarette case provides an opportunity to observe whether a broadcast advertising ban might have a significant effect on consumption even though most of the studies discussed in the preceding subsection suggest that *marginal* changes in total advertising expenditures would not change total cigarette consumption. Unfortunately, the problem of estimating the effect of the ban is complicated by the fact that when broadcast ads were banned there was also a reduction in anti-smoking advertising. As a result, there are statistical problems in separating the effects of the ban from the other changes that occurred at the same time.

The net effect of the broadcast ad ban on cigarette consumption is controversial. Four studies suggest that the ban might have increased cigarette consumption, although the reasons for this vary among the studies. Hamilton (1972) predicted on the basis of his empirical work for the pre-ban era that the combined effect of the ban and the elimination of anti-smoking ads mandated by the Fairness Doctrine would be to increase the demand for cigarettes. Doron (1979) confirms this. Lewit *et al.* (1981) conclude that for teenagers there was a small decline in smoking participation due to the ad ban but that this decline was considerably smaller than the decrease in smoking participation due to the anti-smoking ads required by the Fairness Doctrine. Schneider *et al.* (1981) conclude that the ban had no significant effect on the total demand for cigarettes at a given price but led to an increase in cigarette consumption because it lowered the price of cigarettes and ended the broadcasting of anti-smoking ads.

---

[17] Hamilton, 1972, Doron, 1979, Ippolito et al., 1979, and Schneider et al., 1981.

[18] Schneider et al. (1981) could not conclude that the effect was different from zero.

[19] For confirmation for the U.K., see van Iwaarden, 1983, p. 228.

Porter (1984) reached a different conclusion through a complicated reasoning process. He found that elimination of broadcast advertising reduced the total demand for cigarettes at a given price by a small amount, and that it also increased the price of cigarettes. The resulting tendency for consumption to decline was partially offset by the end of anti-smoking ads, but the net effect of all these changes was still to reduce cigarette consumption by 3 percent.

There is some casual speculation that the ad ban may have increased the cost and reduced the flow of information to consumers about newly introduced low-tar brands, or that it may have impeded introduction of such brands, and hence that it slowed the movement to low-tar cigarettes.[20] However, there is no systematic empirical evidence on this point.

4. Evaluation. The weaknesses discussed in connection with the general literature also apply to studies of cigarette advertising. In addition, there is considerable disagreement in the literature on the appropriate statistical methodology to use in order to separate out the effects of the many important changes that occurred in the cigarette market during the 1950s-1970s.[21] As a result, most of the results are controversial.

A final difficulty in drawing lessons from the cigarette experience is that smoking tends to be more strongly addictive than drinking, with habits fixed in adolescence or early adulthood. Since these are the same years in which TV advertising exerts a disproportionate influence, one must be cautious in leaning upon the cigarette results in order to predict the effects of advertising restrictions in the alcohol market.

D. Alcohol Advertising Studies

Alcoholic beverages are often divided into hard liquor, wine, and beer for research and policy purposes. In evaluating the effect of advertising for, say, beer, it is useful to keep in mind that such advertising might affect the market shares of individual brands of beer without substantially affecting total beer demand. Or, the advertising might also affect total beer demand without substantially affecting total demand for alcohol, if it led to substitution from hard liquor to beer. There is already a voluntary broadcast advertising ban for hard liquor.

Another feature of alcoholic beverages that is important to keep in mind is that, for policy purposes, the principal issues involve underage, hazardous, and excessive drinking. Moderate drinking by adults in non-hazardous situations has no adverse effects and may have health benefits. Studies relating to advertising and total demand or consumption do not allow reliable inferences about the impact of advertising on alcohol abuse, since there is unlikely to be a simple relationship between total consumption and abuse.[22]

---

[20] Schneider et al., 1981, p. 610.

[21] See, for example, Schneider et al., 1981.

1. Alcohol Advertising and Total Consumption

a. Behavioral Studies. The relationship between alcohol advertising and total consumption remains controversial in spite of a number of studies.[23] Most of the available studies that use real world data fail to find a significant positive effect.[24] The same is true for most of the studies that look at the three separate product groups, i.e., hard liquor, beer, and wine. That is, most studies dealing with advertising for, say, beer fail to find an effect on the total demand for beer.[25]

There are significant exceptions to these generalizations. McGuiness (1980) finds that advertising of distilled spirits increases total demand for alcohol, whereas advertising for beer and wine does not. Comanor and Wilson (1974) find that advertising increases demand for distilled liquor and for wine.[26] However, since there is some evidence that the increase in demand for one category of alcoholic beverages is a result of substitution from other categories,[27] studies that use data for the individual categories do not provide much evidence on whether advertising increases total demand for alcohol.

b. Experimental Studies. Unlike the multi-industry and cigarette literature, in the case of alcohol we reviewed a number of studies that used self-reported rather than observed data and experimental rather than real world situations.

A number of these studies found that exposing subjects to different amounts of alcohol advertising on a single occasion while they are drinking or watching a TV show or before going to a restaurant has little or no effect on their alcohol consumption at the time or when they eat the next meal.[28]

---

[22] However, two studies of advertising restrictions using state data that are reviewed below do address the link between advertising restrictions and alcoholism and alcohol-related mortality.

[23] Blane and Hewitt, 1977.

[24] Grabowski, 1976, Bourgeois and Barnes, 1979, Duffy, 1982, Hagen and Waterson, 1983.

[25] Peles, 1971, for beer; Wilder, 1974, for distilled liquor, for malt liquor, and for wine; Comanor and Wilson, 1974, for malt liquor; Duffy, 1982, for each of the three categories; Hagen and Waterson, 1983, for each of the three categories.

[26] See the criticisms of Comanor and Wilson above.

[27] Bourgeois and Barnes, 1979, Intriligator et al., 1983.

[28] Kohn et al., 1984, Kohn and Smart, 1984, McCarty and Ewing, 1983.

One found a positive effect.[29] However, such studies do not provide a reliable basis for predicting the effects of advertising in general or the effects of advertising restrictions. It would not be valid to extrapolate the short-term impact of a brief exposure to advertising in a contrived setting to predict the longer-term, cumulative effect of repeated exposure in the real world.

c. Self-Reported Behavior. Atkin and Block (1980) report a positive relationship between self-reported exposure to alcohol advertising and self-reported alcohol consumption.[30] This report differs from the experimental studies described above in three ways, the first of which would tend to make the Atkin and Block study more useful and the other two of which make it less useful.

The first difference is that the experimental studies examine the effect of a very small change in advertising exposure, while the Atkin and Block study considers larger differences in advertising exposure levels.

Second, in the experimental studies subjects are allocated randomly to the high and low ad exposure groups. In the Atkin and Block study, subjects themselves determine their level of exposure based on such things as how many hours of TV sports they watch. It follows that the group that chooses a high level of exposure is different in systematic ways from the group that chooses a low level of exposure. For example, they are probably more sports-oriented. This difference in personal characteristics rather than exposure to ads could be the cause of the difference in alcohol consumption. Thus, Atkin and Block's finding does not allow one to conclude whether ads affect consumption.

Third, in the experimental studies, the investigators observe and record the ad and consumption levels. In the Atkin and Block study, the investigators relied on the subject's self-reported recollections, which could be systematically inaccurate in a way that would distort the results.

These and other shortcomings make the Atkin and Block study inconclusive.

2. Advertising Restrictions. The province of Manitoba, Canada, banned print and broadcast advertising of beer in 1974. Ogborne and Smart (1980) conclude that this ad ban did not affect consumption, but their study can be criticized on the grounds that it did not hold constant many of the other variables that might have affected consumption. In any case, since the ban applied only to ads originating in Manitoba, it is not clear how much change there was in consumer exposure to beer ads.

Some states restrict alcohol advertising. Ogborne and Smart (1980) did not find a significant effect of these restrictions on alcohol consumption or alcoholism. Intriligator *et al.* (1983) found no effect of these advertising restrictions on total alcohol consumption, but they found that the restrictions reduced alcoholism.[31] Also, Intriligator *et al.* did not control for state restrictions on the sale of alcohol. Since states that restrict advertising may also restrict sales, there would be a tendency for the study to overestimate the effects of advertising restrictions.

---

[29] Brown, 1978, cited in N. Dorn and N. South, 1983, p. 63.

[30] Atkin et al., 1983, is a similar study.

Blanc and Hewitt (1977) conclude from their review that partial bans on alcohol advertising have had little or no effect on consumption.

In any event, the nature of local and national advertising is likely to be different. For example, local advertising may emphasize information about price and availability, while national advertising may emphasize brand image. As a result, it would be difficult to use the results of studies concerning state restrictions to predict the effects of a national ad ban.

3. Consumption and Abuse. Intriligator *et al.* (1983) conclude from a comparison of different states that average consumption of alcohol has no significant effect on either alcoholism or alcohol-related mortality (even though, as mentioned above, advertising restrictions were found to have an effect.) Atkin *et al.* (1983) find that higher self-reported exposure to advertising is associated with not only higher self-reported consumption of alcohol but higher self-reported hazardous drinking, including drinking and driving. However, this study is subject to the same types of weaknesses as the Atkin and Block study discussed above and hence must be considered inconclusive.

E. Public Information Campaigns

Since the early 1970s, mass media public education campaigns have been directed at alcoholism and drunk driving. Although there are no empirical studies of the effect of these ads on alcohol consumption or abuse, there is evidence that public service campaigns affect behavior. We have already cited the cigarette case.

In a recent study of crime prevention public service announcements, Mendelsohn and O'Keefe (1984) find that a significant number of the sampled population report behavioral changes directly attributable to these ads. Such surveys based on self-reported behavior are less desirable than ones based on actual observations, but Mendelsohn and O'Keefe's results are suggestive. They interviewed a group of people before and after the ad campaign. Those who reported being exposed to the ads also reported an increase in specific activities advocated in the ads.

Mendelsohn and O'Keefe survey the existing literature on the effect of public service ad campaigns. They cite several earlier studies, dating back to 1940-50, that found that media campaigns had no effect on viewers. However, more recent studies have found positive effects; the authors point to heart disease prevention as an example. They explain the discrepancy between the earlier and later studies in part by the increased role of television in society.

---

[31] They found that the restrictions increased the mortality rate by a much smaller percentage. Again, these restrictions did not prevent consumers from viewing ads originating outside the state.

F. Conclusions

The bulk of existing studies of alcohol and other advertising have found little or no effect of variations of advertising on total industry consumption.[32] However, many of the studies have technical flaws in their data or methodology or produce bizarre results that make their conclusions concerning advertising open to question.

It is important to be clear what these results imply. Since the data are for the most part drawn from situations in which the ratio of advertising expenditures to the value of industry sales fluctuated within a limited range, at most this conclusion justifies inferences about the effects of changes in total advertising expenditures within the usual range. For this range, the literature does strongly suggest that the effect of advertising on total industry consumption or demand is not substantial, because if the effect were substantial it would certainly have been detected by a good share of existing studies. On the other hand, the literature does not justify a conclusion that such changes in advertising have no effect on total consumption or demand. Many studies could have failed to uncover a relatively small but important effect because the data were insufficient in quantity and quality to separate the effect of advertising from other changes that were occurring.

In any case, the existing literature tells us little about the effect of changes in advertising that are different in type or magnitude from those that occurred during the periods under study. Suppose, for the sake of argument, that over the past decade variations on the order of 10 percent in the amount of print, billboard, and broadcast advertising had little or no effect on aggregate consumption. As we explained earlier, it would not follow that banning all advertising, or all broadcast advertising, would have little or no effect.

Furthermore, the problem in the case of alcohol is not consumption but abuse. The literature sheds virtually no light on the relationship between alcohol advertising and abuse.

Whatever the effects of alcohol advertising on total alcohol demand or abuse, advertising does serve several useful purposes, because it provides valuable information to consumers. In considering these effects, it should be kept in mind that consumption of alcohol in moderation by adults (other than pregnant women) in appropriate situations has no adverse effects and may have health benefits. Thus, as in the case of other goods, greater information and lower prices benefit consumers.

A final implication of the literature review is that anti-consumption ads, health warnings, and information about health hazards may have substantial effects on consumption. There is overwhelming evidence that health information disseminated in a variety of ways has reduced cigarette consumption. The broadcasting media currently run a significant number of public service messages concerning the dangers of alcohol abuse. One unintended effect of restricting broadcast advertising for alcohol might be a reduction in the number of free public service announcements concerning alcoholism and drunk driving.

---

[32] Some studies suggest that advertising affects price and hence consumption. However, the direction of the effect is controversial.

APPENDIX A-1

DISCUSSION OF EMPIRICAL SUPPORT CITED IN THE OMNIBUS (CSPI) PETITION

The CSPI petition for the regulation of unfair and deceptive alcoholic beverage advertising and market practices cites five studies in support of the contention that "certain marketing and advertising practices of the alcoholic beverage industry contribute to and exacerbate"[1] the use of alcoholic beverages. On closer examination not all of these studies are as supportive of this contention as would appear from the discussion in the petition.

The first paper cited is Whitehead's (1983) review of the literature on the effects of advertising on demand. Whitehead notes studies in support of both sides of the issue of "whether the role of advertising is simply to allocate shares of an existing market or whether it can also increase total demand." Although his study is cited in the petition as being supportive of the hypothesis that advertising increases industry demand, Whitehead acknowledges an extensive literature showing no such effect, and notes that "a causal link between these two phenomena has not been demonstrated."[2]

Two of the five empirical studies mentioned by Whitehead in support of the notion that advertising increases industry sales are studies by Cowling et al. (1975) and Taylor and Weiserbs (1978). These are cited independently in the CSPI petition and are discussed below. The other three studies are (1) Comanor and Wilson (1974), a highly controversial study called into question by the subsequent work of Grabowski (1976); (2) McGuiness and Cowling (1975), a study of cigarette advertising, which has been partially contested by Johnston (1980); and (3) Bourgeois and Barnes (1979), in which a positive relationship was found between print advertising and beer consumption. Whitehead notes that interpretation of Bourgeois and Barnes' results are "hindered by the fact that the advertising for all three types of beverages is aggregated while their models seek an impact on the three types of alcoholic beverages individually."[3] In addition, Bourgeois and Barnes found a negative relationship between print advertising and liquor consumption and no significant effect of either print or broadcast advertising on total per-capita alcohol consumption.

In sum, Whitehead presents no original findings and although he discusses several studies that support the conclusions quoted in the CSPI petition, he cites other evidence that contradicts those conclusions.

---

[1] CSPI petition at 4.

[2] Whitehead, at 142.

[3] Whitehead, at 134.

The second study cited in the petition is Atkin and Block (1981). This study is composed of seven separate reports, six of which are concerned with impressions and attitudes rather than behavior, and are therefore of little value in the empirical determination of the effect of advertising on demand. The relevant report is the field survey which finds a positive relationship between "exposure" to alcohol advertising and alcohol consumption.

There are serious flaws in the Atkin and Block study that render it entirely inconclusive with respect to the effect of alcohol advertising on the overall demand for alcoholic beverages. Atkin and Block themselves note that theirs is an exploratory study that was not intended to be a rigorous test of any hypothesis.

There are a number of areas of difficulty. First and foremost is the issue of causality, exacerbated by the poor measure of advertising exposure. Because advertising exposure is self-reported and based on such factors as the amount of television sports shows viewed, and the amount of attention paid to alcohol advertising, it is highly likely either that alcohol consumption determines the exposure to advertising (the attention paid to ads), or that some third factor (such as preferences for sports shows)jointly determines exposure and alcohol consumption. This problem alone is so acute as to render futile any attempt to reach conclusions about the direction of causality between the two correlated variables. In addition there are problems with the sampling technique and self-reporting of alcohol consumption.

In conclusion, the Atkin and Block study is not, and was never intended to be, a rigorous test of the hypothesis that alcohol advertising increases alcohol consumption. Other results (based on Atkin and Block's remaining reports) noted in the petition are impressionistic and suffer from many of the same weaknesses as do the field survey results.

Blane and Hewitt (1977) is the third study cited in the petition. However, it is apparently not the correct citation as it has nothing to do with advertising. Another study of theirs, "Alcohol and Advertising" (see bibliography), appears to be the relevant article. In this paper, while conceding that the marketing research literature indicates some targeting by the alcohol industry of advertising at new buyers (i.e., an intention to raise overall demand and not just induce brand switching), Blane and Hewitt nonetheless conclude that a ban on alcohol advertising would not be a worthwhile remedy to the problem of alcohol abuse. They support this contention with evidence from countries where advertising bans are in effect and alcohol consumption has continued to rise.

Lastly, the CSPI petition refers to two general studies, cited by Whitehead, of the effect of advertising on demand for all products (not just alcoholic beverages). Both Taylor and Weiserbs (1972) and Cowling et al. (1975) found that advertising (in general) does tend to increase aggregate consumption.

Taylor and Weiserbs found a positive relationship between current advertising expenditures for the economy as a whole and current aggregate consumption, and made some attempt to control for simultaneity--that is, the possiblity of reverse causation. This is a potential problem because there are likely to be feedback effects between advertising and consumption. In other words, not only may advertising increase sales, but as demand overall sales increase, firms may increase their advertising campaigns in response.

There are two possible difficulties with Taylor and Weiserbs' results having to do with the simultaneity problem. First, although Taylor and Weiserbs adjust for simultaneity bias using two stage least squares, which will yield consistent estimates (that is, unbiased for very large samples), it is the nature of annual time series studies to have a relatively small sample. For this reason we cannot be certain that the measured effect of advertising on consumption is not biased upward. Second, and possibly most important, Taylor and Weiserbs' use of annual data may be inappropriate for measuring the effect of advertising on consumption. This is because other studies show that the bulk of advertising's impact on sales occurs within six months (see Clarke 1976). Thus the effect of measuring advertising expenditures that occur over the course of a year will include the feedback effect of sales on advertising.This suggests that unless quarterly or monthly data can be used it may not be possible to measure correctly the relationship between advertising and consumption. An additional issue that should be mentioned is whether the simple model employed is an appropriate specification of the consumption and savings functions.

The general study of the effect of advertising on consumption in Cowling et al. does use quarterly data. Again the results seem to indicate a significant positive effect of advertising on consumption, controlling for simultaneity bias. They estimate that a ten percent increase in advertising expenditures would lead to a .46 percent increase in aggregate consumption. Although this is not a very elastic response,[4] the fact that aggregate consumption is approximately 30 times the magnitude of advertising expenditures implies that the effect in dollar terms would be nontrivial.

While the results of Cowling et al. and, to some extent, of Taylor and Weiserbs, are evidence in support of the petition, a word of caution is in order. The implications of results dealing with the effects of economy-wide advertising expenditures on aggregate consumption for the issue of the effect of industry-specific advertising on industry demand are not definitive.

Conclusions

In sum, none of the five studies cited in the CSPI petition contain persuasive evidence that the advertising of alcoholic beverages causes increased consumption of alcohol overall. Two of the studies are reviews of the literature presenting mixed results at best, rather than the clear support implied by the omnibus petition. Two of the other three studies suffer from serious methodological flaws and as such should be regarded as inconclusive. The last study, Cowling et al. does provide persuasive evidence that overall advertising in the economy affects overall consumption. This is suggestive that advertising of alcoholic beverages may increase the overall demand for alcoholic beverages, but it is by no means conclusive with regard to industry-specific behavior.

---

[4] Taylor and Weiserbs' results yielded an elasticity approximately three times as large.

APPENDIX A-2

ANNOTATED BIBLIOGRAPHY ON THE EFFECTS OF ADVERTISING ON INDUSTRY DEMAND

I. GENERAL STUDIES

1. Albion, Mark and Paul W. Farris (1981), *The Advertising Controversy: Evidence on the Economic Effects of Advertising.* Boston, Auburn House.

While there are a number of able surveys in book form (Simon (1970), Ferguson (1974), and Ornstein (1978)), they have focused primarily on the concentration issue: whether advertising promotes monopolistic behavior. In contrast, Chapter 4 of Albion & Farris offers a convenient summary of the work done on the issue of industry demand - or "primary" demand to use the terminology in the classical work of Borden (1942). After a brief discussion, the authors conclude:

> Our opinion based on the literature review is that the effect of advertising on primary demand or on the allocation of consumer spending across industries is severely limited by the other economic and social forces affecting the size of the market. In the face of negative forces, advertising can probably do relatively little to conteract the decline of a market. In the presence of strong growth trends, advertising may accelerate the growth rate, but it remains to be shown that it is a significant factor in determining the ultimate size of an industry or market.

2. Ashley, R. C., W. J. Granger, and R. Schmalensee (1980), "Advertising and Aggregate Consumption: An Analysis of Causality," *Econometrica*, 48, pp. 1149-67.

Ashley et. al. used quarterly U.S. data for 1956-75 (eighty observations) to test whether advertising affected aggregate consumption. After using the Box-Jenkins time-series technique (described below), they concluded that advertising had no significant effect on consumption. In fact, the evidence indicated the direction of causality may be from consumption to advertising.

Ashley et. al. used a five step procedure to determine the direction of causality between consumption and advertising.

(1) Each data series (consumption and advertising) was "pre-whitened" by building single series ARIMA models using the Box-Jenkins procedure. This removed seasonal variations and trend effects from the two data series.

(2) The cross-correlogram between the residuals of the two "pre-whitened" series was computed. Significant correlations constitute a

"tentative" sign that one variable might cause the other. The additional steps accept or reject these tentative findings.

(3) "For every indicated causation, a bivariate model relating the residuals is identified, estimated, and diagnostically checked." One way causation can be identified at this point; if the data reveal joint causation, further steps are needed to unravel the process at work.

(4) From the fitted model of residuals, a corresponding model for the *original* data series is derived, checked, estimated, and diognostically evaluated. This model combines the univariate model from (1) with the bivariate model from (3).

(5) Finally, the bivariate model for the original series is used to generate a series of forecasts for a past-sample period. The corresponding errors are then compared to forecast errors derived from the univariate model to see if the bivariate model forecasts better. If it does, then the variable included in the bivariate model can be said to "cause" the other variable in a statistical sense.

Ashley et. al. used the first 60 observations to test for causality and formulate the univariate and bivariate models. These models were then used to forecast the final 20 observations. "The overall past-sample mean squared error for the bivariate model (past consumption and advertising used to forecast consumption) is only 5.1% lower than for the univariate model (past consumption used alone to forecast consumption), and tests suggest that this difference is not significant at any reasonable level." Thus, they concluded that "past advertising does not seem to be helpful in forecasting consumption. We must accordingly retain the null hypothesis that aggregate advertising does not cause aggregate consumption." The evidence suggested that the causality may run in the other direction: from consumption to advertising. Ashley et. al. tested various definitions of consumption (real vs. nominal; total vs. goods only) and these changes did not alter their results.

Ashley et. al. conducted a purely statistical test of causality. Their paper posited no theoretical basis for the link between advertising and aggregate consumption. They recognized that the high degree of *contemporaneous* correlation between consumption and advertising does not resolve whether "consumption causes advertising, advertising causes consumption, or a feedback structure (exists) involving both directions of causality" within each three month time period. The statistical evidence indicated that advertising does not significantly affect consumption beyond a three month period.

3. Comanor, William and Thomas Wilson (1974), *Advertising and Market Power*. Cambridge, Harvard University Press.

This is surely the most controversial of the industry demand studies and runs counter to the impression gathered from other studies that advertising fails to have a significant impact on industry demand. In their Chapter 5, Comanor & Wilson consider market demand. They take account of both the simultaneity problem and dynamic lags by adopting a variant of the model of Houthakker & Taylor (1970). They use both a stock and a flow version of this model. Finally, they run both single and simultaneous equation estimates. For the latter, they make an approximation of the nonlinear reduced form advertising equation and insert this in place of the true one in the two-stage least squares procedure.

Data on industry sales and advertising expenditure were gathered from the IRS *Source Book of Statistics on Income.* Price indices are taken from the wholesale price index series of the BLS. For the years 1948-1968 the analysis covered thirty industries, including malt liquor, wines, distilled liquor, and tobacco. For twenty eight of these, including the industries just mentioned, the equations were found to perform adequately.

After considering both advertising per capita and advertising relative to the total of all manufacturers, they report results only for the latter. Other independent variables are the price of the good relative to all consumer goods and income in one of three possible forms: per-capita constant-dollar consumer expenditure, per-capita constant-dollar disposable income, and an index of per-capita production of consumer goods.

Although many individual coefficients are not significant in their final model choices, they find the set of equations satisfactory in a number of respects. The signs of the price coefficient are generally negative, though advertising is more frequently significant than relative prices and virtually always positive. In their words:

> This result reflects the effects of advertising upon the inter-industry distribution of sales. Hence the argument that advertising serves merely to allocate spending between brands within broad groupings of products is called into question by these results. If anything, advertising comes through as a more important determinant of the interindustry allocation of sales than are relative prices.

Looking at their two-stage estimates, ten of the twenty eight industries have a significant advertising effect, which is always positive. Only six have a significant price effect, which was always, however, negative. Seven of the twenty eight industries have a significant income effect, in which all but one it is positive.

Turning to the individual industries, they find advertising to have no effect on malt liquor, though it does have an effect on wine and a smaller one on distilled liquor. Advertising has no significant effect on tobacco in the two-stage least squares analysis, though it did in the final model choice, which used ordinary least squares.

4. Cowling, K. et al (1975), *Advertising and Economic Behavior.* New York, Holmes & Meier Publishers.

This book, among other things, treats two issues we consider here: first, the effect of advertising on industry demand in the case of cigarettes and instant coffee, and second, the effect of advertising on aggregate consumption. The data used, however, are entirely from the United Kingdom. While the U.K. market for cigarettes may be of some interest, we already have a large body of literature that explicitly treats advertising in the U.S. cigarette industry. (This is not the case with the U.S. alcohol industry.) Aggregate consumption is of limited interest if we are primarily concerned with the effect of advertising on an industry's demand. In any case, for aggregate consumption we again have a sizeable body of literature explicitly examining the United States.

The model for the cigarette study is of the single-equation type and uses the real price of cigarettes deflated by a general price index, total real personal disposable income per capita, press and tv advertising per capita, and the health effects of smoking, all as explanatory variables. The dependent variable, cigarette consumption, is measured by total expenditure. The data which covers the period 1957-1968, is in quarterly form, so seasonal dummies are employed. The method used is ordinary least squares and the equation being fit is in log-linear form. A lagged dependent variable is included, as well as a geometrically weighted sum of past advertising, to represent advertising stock.

Cowling et. al. find no evidence that advertising affects the market for instant coffee, though they do obtain a substantial long-run effect with cigarettes, whose advertising-sales elasticity they find to exceed unity. These cigarette results, however, are reported differently in their otherwise similar article, McGuiness & Cowling (1975). While they again find very little short run impact of advertising, in the long run they now find that a ten percent increase in advertising will only lead to a 2.8 percent increase in sales. What is more, Johnston (1980) argues that McGuiness & Cowling (1975) make a conceptual error in developing their long run elasticities. When the correction is taken into account, the long run elasticity is some thirty to forty percent of the original value. Thus, a 10% rise in advertising would, even in the long run, lead to less than a 1% increase in sales.

Cowling et. al. also used quarterly U.K. data for the years 1956-66 to test whether aggregate consumption was influenced by advertising. They tested both Keynesian and Friedmanite consumption functions.

Cowling et. al. regressed current consumption on current income, current advertising, lagged consumption, the interest rate (Treasury Bill rate) and a time trend. Their OLS estimate yielded an elasticity between consumption and current advertising of between .0326 and .0482. These (any) OLS results are biased upward if consumption affects advertising, i.e., if a feedback effect exists.

Cowling et. al. controlled for simultaneity by using 2SLS. They found that aggregate consumption was significantly affected by advertising; the elasticity between consumption and advertising was .0462.

5. Grabowski, Henry (1976)," The Effects of Advertising on the Inter-industry Distribution of Demand," *Explorations in Economic Research*, 3, pp. 21-75.

Grabowski's work is in many respects a reexamination of the work of Comanor & Wilson (1974). He finds their results suspect because of the weak income effect. He also considers that their results may exhibit bias due to problems in the IRS data (already noted in Schmalensee (1972)) not also present in the price and income data. Spurious correlation would appear between sales and advertising whenever firms changed their IRS classification. In view of this, Grabowski chooses data collected by trade services. This advertising data includes four major media - network TV, spot TV, newspapers, and magazines. National income data were obtained from the Census, whereas interest rate series needed to predict advertising by firms were obtained using Moody's AAA bond rate quotations. The period covered is 1956-1972 and fifteen categories of goods are treated, including alcoholic beverages.

Like Comanor & Wilson, Grabowski considers both ordinary least squares single equation models and simultaneous equation models. Distributed lags are introduced. The independent variables are either per-capita or relative advertising, relative price, and disposable income per-capita. The method of estimation is two-stage least squares.

In his final results, income appears to be the most important explanatory variable. Prices typically appear with the right sign, but are not generally significant. Insignificant coefficients are observed for advertising, save in a few product .pacategories. In particular, advertising is not a significant variable in explaining the sale of alcoholic beverages.

Grabowski compares his results to Comanor & Wilson and suggests that the significant differences may be due to the fact that his industries are more aggregated than theirs. He also observes that his work includes only the later post-war period and that Comanor & Wilson's results may suffer from a structural shift in the middle of their sample period (1947-1964), due to the introduction of television.

6. Lambin, J. J. (1976), *Advertising, Competition and Market Conduct in Oligopoly over Time.* Vol. 94, Contributions to Economic Analysis, Amsterdam, North-Holland.

This work uses a total of 107 individual brands from 16 product classes and 8 different countries of Western Europe.

Cigarettes are treated for Belgium in the period 1953-69, but since only one firm is represented, no industry analysis for this product was possible. The industries that were examined were soft drinks (2 countries), electric shavers (3 countries), gasoline (3 countries), hair spray (1 country), and auto trains (1 country). In those cases where the advertising effect was at all significant - soft drinks, hair spray, and auto trains - the author attributed these findings to the products being in the early stages of their life cycle.

Data was generally gathered from company sources, or in the case of hair spray, from a market research firm. The simultaneity problem between advertising and sales was explicitly treated using two-stages ordinary least squares. Distributed lags were included. Lambin's description of his industry analysis is included under what he calls Finding 22 (pp. 136-38). While it is difficult to infer the exact form of his industry regression equations, the main explanatory variables seem to be absolute advertising and prices, apparently without any income proxy. In addition to his Finding 22 - "Limited empirical support is given to the view that advertising increases primary demand" - Lambin is able to provide a logical underpinning to this result with his Finding 10 - " The order of magnitude and opposite sign of own and competitive advertising coefficients indicate a tendency toward reciprocal cancellation of effects in the markets as a whole."

7. Mendelsohn, Harold and Garrett J. O'Keefe, "Taking a Bite Out of Crime: The Impact of a Mass Media Crime Prevention Campaign," National Institute of Justice, February 1984.

This report attempts to assess the effects of the national media campaign "Take a Bite Out of Crime" (McGruff) on consumer perceptions, attitudes and behaviors. From October 1979 through July 1981, "more than $100 million of documented time and space had been donated, making McGruff one of the most popular Ad Council campaigns."

Based on a national sample survey of 1200 adults, when asked "to describe any one particular recent public service ad that stood out in their memory (unaided recall)," only 3% mentioned these ads. However, when those who (after being prompted) recalled the crime prevention ads are added to the unaided recall group, an estimated 51.7% of the population were reportedly exposed to the ads.

Within the exposed group, 22% (thus 11.4% of the total population) responded affirmatively to the question, "As a result of these ads did you do anything that you probably would not have done before if you hadn't seen or heard them?" Respondents were then asked to specify what actions they took. Actions reportedly taken included getting new locks for a house or locking existing locks (34%) and keeping watch on neighbors and reporting suspicious activity (21%). These two actions were emphasized in the McGruff campaign.

In addition to the national sample, a panel survey of 1,049 adults were interviewed in September 1979, three months prior to the campaign's onset. Follow-up interviews were made in November 1981, with 426 of the original respondents successfully reinterviewed. For these 426 individuals, we have self-reported data on crime prevention behavior and exposure, both before and after the ad campaign. Regressions were run with the independent variable being reported exposure. Statistically significant increases in (1) outdoor lights on, (2) use of timer lights, (3) having neighbors watch, (4) keeping watch on neighborhood, (5) reporting to police, and (6) joining prevention groups, were associated with being exposed to the ad campaign. All of these activities were specifically advocated in the ad campaign. A list of non-advocated behavior each failed to have a statistically significant association with exposure, with most estimated coefficients being near zero or negative. Thus, one can conclude that those individuals who reported their exposure to the ad campaign also reported an increase in campaign-advocated behavior. There is also some evidence that they did not increase and possibly decreased their activities in non-advocated behavior.

This study has the same limitations of any self-reported survey of behavior, in that one cannot fully rely on self-reported actions. Nevertheless, the results are quite suggestive and not easily dismissed. The use of the pre- and post-campaign survey adds to the study's credibility.

8. Sturgess, Brian T. (1982), "Dispelling the Myth: The Effects of Total Advertising on Aggregate Consumption," *Journal of Advertising*, pp. 201-12.

Sturgess used the Box-Jenkins time-series technique to analyze the influence of aggregate advertising on aggregate consumption - a test of the so-called "Galbraithian Hypothesis." Using quarterly data for 1969-80 from the U.K., Sturgess found no support for the Galbraithian Hypothesis that advertising increases consumption relative to saving.

Sturgess applied the analytical techniques of Ashley, Granger, and Schmalensee (1980) to U.K. data. These techniques determine whether one variable "causes" another in a statistical sense. "A variable x is said to 'Granger cause' a variable y if future values of y can be predicted better from the past of x and y together than from the past of y alone." Defining x to be advertising and y to be consumption, Sturgess rejected the hypothesis that changes in advertising caused changes in consumption. A model that included both past consumption and past advertising predicted current consumption worse than one that included only past consumption.

Sturgess's treatment of the direction of causality between advertising and consumption is careful but purely statistical. His study contains no theoretical foundation explaining why advertising does not "cause" consumption. Sturgess emphasized the need for additional, disaggregated research on this issue.

9. Taylor, Lester D. and Daniel Wieserbs (1972), "Advertising and the Aggregate Consumption Function," *American Economic Review*, 62, pp. 642-55.

Taylor and Wieserbs applied the well-known Houthakker-Taylor state-adjustment consumption model to determine the effects of advertising on aggregate consumption and aggregate saving. The structural form of the H-T model consists of two equations:

$$(1)\quad q(t) = A + B\,s(t) + C\,x(t)$$

$$(2)\quad \dot{s}(t) = q(t) - D\,s(t)$$

where

$q(t)$ = consumption (or saving) in time t

$x(t)$ = income in time t

$s(t)$ = a state variable that captures the effects of past habits and current stocks of non-income variables on current consumption

A, B, C = estimated coefficients

D = depreciation rate of the state variable

Because $s(t)$ is unobservable, Houthakker and Taylor manipulated the model's structural equations to get a reduced form in which current consumption, $q(t)$, depends on past consumption, $q(t-1)$, past income, $x(t-1)$, and the change in income, $(x(t) - x(t-1))$. The structural coefficients A, B, C, and D can be determined from the reduced form coefficients.

Taylor and Wieserbs incorporated advertising by including it as another independent variable in equation (1) above, which becomes,

$$(1)\ q(t) = A + B\,s(t) + C\,x(t) + E\,a(t)$$

where a(t) is advertising in period t per-capita. Taylor and Wieserbs acknowledged that advertising may affect consumption indirectly through the depreciation relationship (equation (2) above) but rejected this hypothesis based on their empirical results.

Using annual U.S. data for 1929-68 except for 1942-45, Taylor and Wieserbs concluded that each dollar of advertising increasesd per-capita consumption by $4.55 in the short run and $7.95 in the long run. Advertising reduced the steady state long- run saving rate (saving divided by disposable income) from 9.3% to 7.0%, according to Taylor and Wieserbs. These long-run, steady state figures are derived by placing their estimated structural coefficients into a Solow-Swan one sector growth model. Based on these results, Taylor and Wieserbs concluded that advertising clearly affected the aggregate consumption and saving functions.

This study suffers from several drawbacks. First, it is not clear that the H-T model is the appropriate specification of the consumption and saving functions. Taylor and Wieserbs acknowledge that other theoretical structures may lead to different results. Yet, other studies (e.g. Ashley, et. al. (1980)) do not offer a theoretical basis for their conculsions.

Second, the Taylor-Wieserbs approach may not adequately address the issue of causality: does advertising affect consumption or vice versa? If consumption also affects advertising, then models that fail to correct for this effect will obtain upwardly biased estimates of advertising's impact on consumption. Taylor and Wieserbs do attempt to control for simultaneity by using 2SLS with an ad hoc advertising equation. This specification generated a weaker impact of advertising on aggregate consumption (advertising reduced the steady state saving rate from 9.3% to 7.6%), but not enough to alter Taylor and Wieserb's general conclusion that advertising significantly increased aggregate consumption. The smallness of the sample (35 observations) implies that this 2SLS procedure may not have produced unbiased estimates of advertising's effect on consumption.

Third, Taylor and Wieserbs use annual data. Several studies, e.g., Clarke (1976) and Schmalensee (1972), find that between 75 and 95 percent of advertising's impact on sales occurs within one year. This suggests that annual data may be unable to capture the true causal relationship between advertising and sales.

10. Wilder, Ronald P. (1974), Advertising and Inter-Industry Competition: Testing a Galbraithian Hypothesis, *Journal of Industrial Economics*, 23, pp. 215-26.

Wilder selects twenty seven industries based on IRS data, which like Comanor & Wilson (1974), include malt liquor, wine, distilled liquors, and tobacco. He use a simultaneous equation model, but without lags, since he argues that earlier work of his shows that advertising's effect occurs mostly within one year.

He runs the model in both linear and log-linear form but reports only the linear form. Sales, the dependent variables, is measured in dollars. The explanatory variables in the sales equation are relative advertising, absolute advertising, relative price from the wholesale price index series, and personal consumption expenditures from the *Economic Report of the President*. Using a two-stage least squares procedure, he finds that relative advertising has a positively significant coefficient in only one industry - periodicals. Four other industries have a positive and statistically significant absolute advertising effect, but these include none of the specific industries mentioned above. In Wilder's words:

"The findings of this study are not generally consistent with the Galbraithian hypothesis that advertising affects the composition of demand among industries. These findings suggest that total industry sales for most of the consumer goods industries studied here are not significantly responsive either to industry advertising relative to the advertising outlays of other consumer goods industries or to industry advertising in absolute dollar terms."

II. CIGARETTE INDUSTRY

1. Doron, Gideon (1979), *The Smoking Paradox: Public Regulation in the Cigarette Industry.* Cambridge, Abt Books.

Doron's study of the public regulation of the cigarette industry includes a model for the years 1954-1975 that estimates the effects of industry advertising expenditures, the Surgeon General's Report, the Fairness Doctrine, and an index of the price of cigarettes that also includes per-capita disposable income. All of Doron's results were significant. The smallest effect, however, was obtained for industry advertising. At the margin, his results indicate that six dollars had to be spent on industry advertising in order to return one dollar in profits. This result causes Doron to conclude that "Advertising in the cigarette industry is not a means of market expansion but rather a competitive strategy employed by the firms to increase market share." and that "...the ban imposed on the advertising of cigarettes was in the industry's interest." (Pp. 46-47.)

With respect to the other explanatory variables, Doron estimates that the Surgeon General's Report caused a reduction in per-capita consumption of 229 cigarettes per year. The Fairness Doctrine, he estimated, was responsible for a reduction in consumption of 129 cigarettes per year. Although his coefficient with respect to price is negative, it is not readily comparable to results of other studies because of the inclusion in the price variable of a ratio that measures per-capita disposable income. Doron calculates the unusual result that a one percent increase in price would cause an average reduction of about five percent in total sales.

Doron also uses his results to obtain projected effects of the advertising ban on cigarette consumption. He projects that if the ban had not been imposed cigarette consumption would have been eighteen packages per capita less.

2. Hamilton, James L. (1972), "The Demand for Cigarettes: Advertising, the Health Scare and the Cigarette Advertising Ban," *Review of Economics and Statistics*, 54, pp. 401-11.

For the period 1950-1970, this study principally measures the effects on cigarette consumption of industry advertising, the 1964 Surgeon General's Report, and the antismoking commercials fostered by the Fairness Doctrine of 1968.

Hamilton's review of the literature with respect to advertising elasticities indicates that prior studies have shown little consumer sensitivity to advertising. His summary is as follows:

"Schoenberg's (1933) regression advertising coefficient was not statistically significant for 1923-1931, nor was Basmann's (1955) for 1926-1945. Simon (1967) calculated their implied advertising elasticities as only 0.05 - 0.08. Tennant (1950) carefully examined several instances during 1900-1948 when cigarette consumption variations (such as more women smokers) had preceded, not followed, advertising variations. He concluded that the market demand for cigarettes had small advertising elasticity. More recent estimates are few. Though Bass (1969) found significant advertising elasticities ranging from 0.24 to 0.60, his results are suspect. Schmalensee (1972) used similar techniques, and he did not find significant advertising elasticities for 1953-1967. Maier (1955), Sackrin (1962), and Houthakker and Taylor (1970) disregarded advertising." (Hamilton, p. 401.)

Hamilton's own findings with respect to elasticities are consistent with the earlier studies. Long-run elasticities were 0.19 to 0.36; short-run elasticities were 0.03 to 0.05 but not significant at the 5 percent level.

With respect to the 1964 Surgeon General's Report and the antismoking commercials, Hamilton's study indicated that both had depressive effects on cigarette consumption that outweighed the smaller positive effects of cigarette advertising. He estimated that advertising tended to boost per-capita consumption by 95.0 cigarettes per year, while the 1964 report tended to depress consumption by 252.9 cigarettes per year (2.7 times greater than advertising) and the antismoking commercials depressed it by 530.7 cigarettes per year (5.6 times greater.)

Based upon these results, Hamilton, in a further analysis, concludes that the advertising ban would not promote public health. He argues that this effect was likely because the antismoking commercials were more effective in retarding consumption than was cigarette advertising in promoting consumption and because the ban ended the free broadcast time subsidy given to antismoking advertisements under the Fairness Doctrine. He provides some confirming evidence about the effectiveness of the antismoking commericals by noting that the cigarette companies, prior to the Congressional ban on advertising, had volunteered a private broadcast advertising ban, if in exchange, the Congress were to give the companies antitrust immunity to agree on a ban and all federal agencies dropped their proposals for stronger health warnings.

Hamilton noted additional effects of the ban, namely, a reduction in industry advertising expenditures of 20 to 30 percent during the first year following the ban and an increase in industry earnings of about 30 percent for the first six months of 1971 as compared with the same period for 1970.

The model is a single equation regression with per-capita cigarette consumption being explained by per-capita disposable income, the relative price of cigarettes is derived from CPI data, one index of cigarette advertising expenditure in absolute terms and one in per-capita terms, and finally dummies for the two health scares and the Fairness Doctrine. The model was run in both a linear and log-linear form. Lagged effects of advertising were introduced. Because of severe multi-collinearity between the price and income series, coefficients for these variables were estimated using cross-sectional state data.

3. Ippolito, Richard A., R. Dennis Murphy, and Donald Sant (1979), *Staff Report on Consumer Responses to Cigarette Health Information.* Bureau of Economics, Federal Trade Commission.

This study of how consumers responded to the adverse health information about cigarettes found that consumers reacted significantly but gradually to the publication of the Surgeon General's Report in 1964. The authors estimate that actual per- capita consumption was 34 percent less in 1975 than consumption projected in the absence of the 1964 report, mainly because of reduced participation. This reduction in per-capita consumption, taken together with the reduction in average tar and nicotine content that began in 1953, is estimated to have lowered per capita intake of tar and nicotine by 45 percent by 1975.

Although the study found that per-capita consumption in 1953 was approximately 17.6 percent below the level expected, this adjustment, mainly because of reduced intensity of smoking, did not extend beyond 1953 and may have been the result either of the initial publication in *Consumer Reports* of tar and nicotine tabulations or the end of the Korean War. The study also confirms earlier work that economic factors (price, elasticity equal to -.8; income, elasticity equal to .7) have influenced the aggregate demand for cigarettes and concludes that per-capita smoking has exhibited a secular upward trend that is attributed to social factors.

The study notes that per-capita cigarette consumption is a function of both the participation rate and average smoking intensity. The authors estimate that the Surgeon General's report principally affected the participation rate and that the proportion of adults smoking in 1974 was 8 percentage points lower than it otherwise would have been. The study also estimated that start rates have been affected by health information, with the result that the participation rate in 1974 of adults age 29 would have been .479 but actually was only .394, a gain of 8.5 percentage points in the proportion of adults who are likely never to smoke.

The authors also estimate a gain to the life expectancy of 29-year-old adults of about .6 years because of the combined effects of the reduced proportion of smokers since 1964 and of the fall in the average cigarette tar and nicotine content since 1953.

The study found little effect from either the introduction or the removal of the antismoking commercials resulting from the Fairness Doctrine.

4. Lewit, Eugene M., Douglas Coate, and Michael Grossman (1981), "The Effects of Government Regulation on Teenage Smoking," *Journal of Law and Economics*, 24, 545-70.

The authors of this study investigated the impact of the Fairness Doctrine and the advertising ban on the demand for cigarettes by teenagers in the United States. They also present estimates of the responsiveness of smoking by teenagers to variations in the price of cigarettes.

With respect to smoking participation, the study found large and significant price elasticities. These ranged from -.97 to -1.43. The authors note, however, that they were not able to hold constant real family income and proxies for the amount of discretionary income available to the teenagers. The elasticities, therefore, may be overestimates. With respect to the quantity smoked by those who do smoke, the study found price elasticities that ranged from -.01 to -.45. These estimates are also subject to the caution that the authors could not hold income constant as noted.

In their evaluation of the impact of the Fairness Doctrine, the authors found that it had little or no impact on the quantity smoked but did have a significant and negative impact on teenage smoking participation rates. With respect to the effect of the Fairness Doctrine on teenage smoking participation, the study developed seven alternative specifications. For the entire period of the Fairness Doctrine, the authors first estimate that teenage smoking participation was 3.0 percentage points smaller than in the sixteen-month period prior to the doctrine. An analysis of time trends suggests that the Fairness Doctrine had its largest impact in the first year of its existence but was subject to diminishing returns. Also indicated by the regressions is that while the number of hours per week spent watching television has a positive and significant impact on the probability of smoking, this effect is much weaker during the period of the Fairness Doctrine, indicating that the antismoking commercials were significant in reducing teenage smoking participation. Specifically, during the predoctrine period, a one hour per week increase in TV watching raises the smoking probability by 1.1 percentage points. The comparable increase during the doctrine period is .3 percentage points. Finally, with respect to the post-doctrine period in which the advertising ban was in effect, the authors conclude that the ban was not a particularly effective policy instrument but may have been responsible for relatively small declines in smoking participation rates.

Lewit *et al.* use pooled time-series cross-section data provided by the U.S. Health Examination Survey to estimate the demand for cigarettes among teenagers. The period covered is 1966-1970, which permits them to study the impact of the Fairness Doctrine. Each teenager's behavior is represented firstly, by whether he participates in smoking, and secondly, by the quantity smoked, in one of five categories. While these are discrete variables, the authors are satisfied with using an ordinary least squares technique. Prices from state data of the Tobacco Tax Council, dummies representing length of time from the introduction of the Fairness Doctrine, the amount of television watched, along with interaction terms of this with the time .padummies, and the amount of smoking versus antismoking commercials for each year are all considered as explanatory variables.

5. Peles, Yoram (1971), "Rules of Amortization of Advertising Expenditures," *Journal of Political Economy*, 79, pp. 1032-58.

The main purpose of this paper is to determine the duration effect of advertising, but in the course of this, Peles provides estimates of the effect of advertising on industry demand in the cases of cigarettes, beer, and automobiles.

The data used for the cigarette industry are the advertising expenditures in six different media, - newspapers, magazines, spot television, network television, business publications, and outdoor displays. The period covered is 1952-1966. For cigarettes, the advertising expenditures in all the media other than business publications are again used. The period covered is 1952-1968. This information is all gathered from *Printer's Ink* and *Advertising Age*.

Three different models are run for industry demand, with sales always measured in physical units. All models are of the single equation type and of course include distributed lags, since the point is to measure the duration effect. The explanatory variables used in the industry demand runs are advertising in absolute terms, the relative price of the good in terms of the consumer price index, and national private consumption of nondurables.

The author concludes that no industry advertising effect can be found for beer. However, he seems to feel that an industry effect has been found for cigarettes, though a reading of his table A7 does not make it clear why he claims this. Indeed, Schmalensee (1972, p. 116) concludes that Peles has found an advertising effect for automobiles only, though he calls even this effect into question, arguing that Peles has failed to account for the existing stock of cars in his formulation. All in all, Peles finds the national consumer expenditure variable, presumably a proxy for income, to be the most important explanatory variable. Price appeared in both the cigarette and beer results with the wrong sign.

6. Porter, Robert H. (1984), "The Impact of Governmental Policy on the U.S. Cigarette Industry," University of Minnesota.

This work differs from previous ones in that Porter uses a simultaneous equations approach, where not only is a consumer demand equation modelled, but also a producer pricing equation. The method of estimation is two-stage least squares. The data sources for the most part are those used by Schneider *et al.* (1981). The period of time covered is 1947-1982.

Porter reviews the earlier work by Ippolito, Murphy and Sant (1979) and "...finds that their equation does not forecast very well out of sample." He comments further, "An associated problem is that the estimated coefficients are not robust to changes in sample selection. When a similar equation is estimated for the 1947-1982 sample, ...the trend and dummy variables have comparable coefficients, but the price elasticity is much smaller in absolute value and the income elasticity is negative." He concludes that "[t]he problem is that the specification is somewhat arbitrary. The dummy and trend variables explain most of the variation in lnC, yet there is not a good economic justification for the inclusion of the trend variables." (pp. 9-10.)

Porter also finds that the equation used by Schneider *et al.* performs poorly in out of sample forecasts. He criticizes them for the treatment of price as exogenous, as well similar treatment of advertising, low-tar and filter-tip market shares, cigarette tobacco content and the dummy for the Fairness Doctrine. He replaces all of these by instrumental variables. Since Porter finds that the filter market share does not capture the effect of the 1953 health scare, as proposed by Schneider *et al.*, he introduces a dummy for this event.

The results give smaller price and income elasticities than other such time-series analyses, but a larger advertising effect. He finds that as a result of the advertising ban, prices increased 3-6%. This he attributes to greater monopoly power of existing brands, since new brands faced greater barriers to entry. When the effect of the lack of advertising and the rise in price are set against the end of antismoking commericials, Porter finds the ban to have reduced consumption some 3%. Porter cautions, however, mainly because of the specification of his producer pricing equation, that "The quantitative conclusions of this study should be viewed with some skepticism." Most reliable, he notes, are conclusions in accord with previous studies, that is, his demand equation estimates.

7. Schmalensee, Richard (1972), *The Economics of Advertising*, Vol. 80, Contributions to Economic Analysis, Amsterdam, North-Holland.

This work is notable because it contains a critical summary of earlier work in the period 1933-1971, as well as a careful analysis of the cigarette industry. Papers examined in the summary are those of Schoenberg (1933), Meissner (1961), Nerlove and Waugh (1961), Taylor (1968), and Peles (1971). In Schmalensee's words:

"This fairly exhaustive survey of the literature has not produced an impressive list of positive results. Most single-equation models failed to exhibit significant positive advertising coefficients, in spite of the likelihood that these coefficients were biased upwards. The simultaneous equations models discussed above were not much more empirically satisfactory. A variety of functional forms have been employed, but none performed consistently well."

In presenting his own work on the cigarette industry, Schmalensee observes that he chose this industry because good data exist, and because they are available in the form of the number of cigarettes, so that one has a measure of real sales. The data on cigarettes sold were taken from *Business Week* and *Printer's Ink* and covered the period 1955-1967. Advertising data coming from *Advertising Age* were deflated to put them into real terms. Financial figures for the producer advertising function came from *Moody's Industrials*. Schmalensee rejects the Internal Revenue Service *Statistics of Income* as being an unreliable source for time-series, due to firms changing their industry classification. This is particularly interesting because these IRS data are used by Comanor & Wilson (1974) in their controversial study, considered elsewhere.

In order to obtain a consistent estimator of manageable form, Schmalensee eschews two-stage least squares and employs an instrumental variable technique. He also runs ordinary least squares estimations by way of comparison. Six basic models are used to estimate industry demand. Both absolute advertising per- capita and advertising relative to the national average are considered as explanatory variables. Geometric lag structures are permitted.

In none of the variations run was the price effect ever negative and significant. Income coefficients were also insignificant. The bulk of the explanatory power was provided by the lagged dependent variable. Finally, in Schmalensee's words:

"In no case did we find any support for an industry advertising effect, and we were even unable to find any significant impact of advertising on the sales of individual firms. In no case was the advertising of other firms a significant variable."

Because of the rapid adjustment of aggregate advertising to changes in sales, Schmalensee suggests that time-series analysis based on periods longer than a quarter may never satisfactorily treat the effect of advertising on demand.

8. Schneider, Lynne, Benjamin Klein, and Kevin M. Murphy (1981), "Governmental Regulation of Cigarette Health Information," *Journal of Law and Economics*, 24, pp. 575-612.

The authors conclude that previous studies have underestimated the response of consumers to publication of the 1953 report of the American Cancer Society. They find that the primary response to the 1953 health information was a movement by cigarette smokers to filter cigarettes with their lower tobacco-per-cigarette content. By 1964, this resulted in a more than 15 percent reduction in per-capita consumption of tobacco.

The study indicates that the 1964 Surgeon General's Report intensified the consumer movement away from tobacco consumption. By 1971, the two health reports are estimated to have produced a reduction in per-capita tobacco consumption of about 25 percent. The study also indicated that by 1971, the antismoking commercials required by the FCC Fairness Doctrine had further reduced per-capita tobacco consumption by another 5 percent, for a total reduction of 30 percent. Overall, the authors conclude that by 1978 per-capita tobacco consumption was nearly 50 percent lower than it would have been in the absence of the 1953 and 1964 health reports.

In an analysis of the effects of the advertising ban, the authors argue that the policy actually increased the demand for cigarettes. Their reasoning is as follows: (a) given the trivial effect of advertising on aggregate cigarette consumption, the governmental prohibition of broadcast cigarette advertising could not have had any significant effect in terms of reducing demand; (b) the decrease in advertising expenditures led to a lower cigarette price and hence to increased consumption (the estimated price elasticity of demand was significant and negative and equal to -1.2); (c) the ban increased consumption by eliminating the antismoking commercials required by the Fairness Doctrine.

In a further analysis of the advertising ban, the authors conclude that "...the ban substantially increased the cost to firms of introducing new low-tar brands and the cost to consumers of obtaining information about these newer brands, thus slowing down the movement to these lower-tar cigarettes." (P. 610).

The study is novel in its handling of the problem of the income elasticity of the demand for cigarettes. The authors argue that the rapid growth in cigarette consumption in earlier years led to a high predicted income elasticity, so that slower growth in later years shows in the regressions as being caused by the 1964 scare or the advertising ban. They find it plausible, however, that, the income elasticity has changed over time, as cigarettes have switched from being a luxury to being a necessity.

They criticize Hamilton (1972) for using extraneous cross-sectional estimates of income elasticity to treat this problem. They handle it by introducing an income instrumental variable, reflecting a critical income threshold after which people switch from other forms of tobacco into cigarette consumption. Because this is highly collinear with the income variable, they replace the coefficient of the latter in their cigarette demand equation with the value determined from a separate tobacco demand equation.

They also criticize previous treatments of the health scares and advertising ban, arguing that these cannot be adequately treated with simple dummy variables. Since they hold that the main effect of the ad ban must work through a decreased productivity in the stock of advertising capital, they introduce this effect directly into the regression. Since it is their feeling that the 1953 health scare may have led to a rise in filter-tip market share, while the 1964 health scare may have affected low-tar cigarettes similarly, they also introduce these effects directly into the regression. To capture the remainder of the effect of the health shocks, they include a term representing tobacco per cigarette. In addition to all this, they include the real price of cigarettes and per-capita income as explanatory variables, as well as a dummy for the Fairness Doctrine. The data sources they list on p. 610-613 of their article are noteworthy for their diversity.

III. ALCOHOL INDUSTRY

1. Atkin, Charles, Kimberly Neuendorf and Steven McDermott, (1983) "The Role of Alcohol Advertising in Excessive and Hazardous Drinking," *Journal of Drug Education*, 13, pp. 313-26.

This paper reports the results of a survey of 1200 young people (12-22 years old). They were asked a series of questions concerning attitude towards drinking, brand awareness, and alcohol consumption patterns. They were also asked about their media viewing habits, in order to construct an index of exposure to alcohol advertising. The authors report that those individuals with higher advertising exposure rates report higher consumption and more hazardous drinking (e.g., driving) than those with lower advertising exposures.

The survey suffers from some potentially serious methodological flaws. For example, as a measure of consumption, the interviewees were asked how many drinks they normally have, without distinguishing between the types of drink. They report that the high exposure group averages 4.5 drinks at a party or bar, whereas the low exposure averages 2.9. One possible explanation could be that the low exposure group drinks more hard liquor and less beer and wine. It is conceivable that one effect of television advertising is to convince hard liquor drinkers to switch to beer and wine. Such a hypothesis would also be supported by this data. A second example is the finding that high exposure individuals are more concerned about their drinking habits than members of the low exposure group. The authors cite this result as evidence that advertising promotes excessive drinking in teenagers. However, one could just as easily use the .padata to support the opposite hypothesis that advertising promotes sociable drinking and not excessive deviant behavior.

Another problem with this study is the inability of the reader to reconstruct the exposure variable. The authors used some weighted scheme that included the amount and type of media exposure, "the attention paid to general categories of alcohol ads encountered in the media..., frequency of exposure to each of nine specimen ads pictured in questionnaire... and degree of attentiveness to the nine ads." Only the first measure - amount and type of media exposure - appears to be a reliable index of media exposure. For example, the researchers apparently infer intensity of exposure by assessing the subject's attentiveness to specimen ads. It is quite possible that their inferences are exactly opposite from that which they are trying to measure. Individuals who have never been exposed to the ad before may be more attentive than those who have seen the ad many times in their home before the survey.

The authors reportedly conducted a regression analysis, but do not specify the variables or form of equations estimated. They claim that the exposure index is a significant predictor for both consumption and hazardous drinking. Unfortunately, they do not provide enough information to analyze this claim, even if their measure of exposure was accurate.

Finally, the authors report on a study of individual responses to questions about different advertisements. This is an attitudinal study, and is thus not considered here.

2. Atkin, Charles, and Martin Block, (1980) "Content and Effects of Alcohol Advertising," *Final Report submitted to Bureau of Alcohol, Tobacco and Firearms, Federal Trade Commission, National Institute on Alcohol Abuse and Alcoholism, and Department of Transportation.*

Summary and Critique

Introduction

The Atkin and Block study comprises seven separate reports commissioned by the Bureau of Alcohol, Tobacco, and Firearms, the Federal Trade Commission, the National Institute on Alcohol Abuse and Alcoholism, and the Department of Transportation. The seven reports are: (1) advertising placement and alcohol consumption statistics, (2) content analysis of alcohol advertising, (3) field survey on the effects of exposure to alcohol advertising, (4) self-report survey on how advertising influences orientation towards alcohol, (5) study of individual responses to selected advertisements, (6) experimental study of respondent's evaluations of various components of advertising content, and (7) study using self-report diaries in which respondents describe responses to advertising seen the previous day. All but one of these reports, the field survey on the effects of exposure to alcohol advertising, are largely irrelevant to the issue at hand. We are concerned with the impact of advertising on consumer behavior. It is Atkin and Block's field survey which attempts to address the issue of behavior, the other studies being concerned with impressions and attitudes.

The major thrust of Atkin and Block's field survey is their finding of a positive relationship between "exposure" to alcohol advertising and alcohol consumption. The survey was administered to 1,227 people, mostly young respondents between the ages of 12 and 22. Quota sampling was used to provide a "typical" cross-section of young people in terms of age, sex, social status, race, community size and other dimensions." In addition, the sample included a small proportion of adults 23 years and older. The relationship between exposure to alcohol advertising and alcohol consumption is primarily documented in the form of comparisons between the mean amount of alcohol consumed by those respondents reporting low exposure to ads and the mean amount consumed by those respondents reporting a high exposure to ads for alcohol. Their results show a 20 to 50 percent higher mean level of alcohol consumption among those people who reported a higher degree of exposure to advertising. Some multivariate regression results are reported in a preliminary draft which were omitted from the final report. These results also seem to indicate a positive association between advertising exposure and consumption of alcohol, controlling for certain demographic characteristics.

Comments

There are serious problems with the Atkins and Block study that make it entirely inconclusive in regard to the effect of alcohol advertising on overall alcohol consumption. The authors themselves make a number of caveats at the outset: "A major disadvantage of this design is the inablility to infer cause and effect. . . . It is possible that reverse causation may be operating (e.g., drinking may cause exposure, rather than exposure causing drinking), or that the two variables are related because of some common outside forces (e.g., both exposure and drinking are jointly the result of growing up in a home where the parents frequently drink alcohol)." Atkins and Block also note that they are relying on **reported** behavior rather than **observed** behavior, and hence there is the potential for measurement error which would distort the findings.

In fact, not only are Atkin and Block's caveats important in and of themselves, but there are further problems with the study that reenforce the need for those caveats. There are five major areas of difficulty: (1) the sampling technique is problematic, (2) observations are based on self-reporting by respondents to a great extent, (3) the measures of the principal variables, exposure and consumption, are extremely poor, (4) the issue of causality is inadequately addressed, and (5) the statistical methodology lacks rigor. I will address each area in turn, although it should be noted that they are inter-related.

First of all, the sampling procedures used by Atkin and Block may well lead to biased results. The major source of the young respondents was junior and senior high schools, while colleges and technical or trade schools were the major sources of young-adult respondents. In order to also sample from those respondents not in school, other means were employed: newspaper classified advertising, direct mail to randomly selected households, and shopping mall interceptions. To obtain a supplemental sample of adults over 23, social clubs members were used. Among the problems with this mode of sampling are biases introduced by self-selection in the case of newspaper advertising, the disproportionate number of college students, the likely unrepresentative nature of the sample based on social clubs, and the unrepresentative nature of the sample based on shopping mall interception. The critical difficulty here is reflected in the following discussion by Donald Strickland in his critique of the Atkin and Block study:

> . . . 535 adult respondents who had consumed alcohol within the past month represents over 95% of the 562 adult respondents from the field survey, an extremely large percentage of recent drinkers. Recent national surveys have consistently found that approximately 32-35% of the adult population are abstainers (Hyman et al., 1980). Thus, the master sample and several subsamples used in the substudies contain exceptionally high proportions of drinkers, most likely because of self-selection bias as well as the disproportionate number of college students in the adult sample. [Strickland, Donald E., "Content and Effects of Alcohol Advertising: Comment on NTIS Pub. No. PB82-123142", *Journal of Studies on Alcohol*, vol. 45, no. 1, 1984, page 91.]

A second area of concern is a general one having to do with the data observations being largely self-reported by respondents. The problem here is that both the advertising measures and the consumption measures are variables that are not directly observed by the researchers, but rather depend on the respondents' recollections, perceptions, and truthfullness for accuracy. It is well known in the social sciences that this type of data is of question-able reliability as a measure of behavioral response. Simply put, there may be a big difference between what people **do** and what they **say** they do. This problem is especially acute when dealing with such a value-laden issue as alcohol consumption. People have a variety of incentives to believe that their consumption is different from what it actually is, and hence self-reporting of that consumption should be viewed with some caution.

This brings us to a third, and more specific area of concern: the way in which the principal variables are measured. The biggest problem lies in the measure of exposure to alcohol advertising. This measure is a hodge-podge of various unrelated "indices", none of which is, by itself, a satisfactory measure of exposure to alcohol advertising. The notion that adding together a set of unsatisfactory measures will lead to a satisfactory measure is not well founded. Two different measures of exposure are used, one for hard liquor and one for beer and wine. The measure of exposure to beer and wine advertising comprises six subindices: (1) the total number of hours that the respondents report watching sports events and weekend sports shows on television between 8 and 11 p.m. on an "average day"; (2) a measure based on the respondent's frequency of reading 10 magazines multiplied by a weight reflecting the average amount of alcohol advertising per month in each magazine; (3) a measure of attention to ads in magazines based on the question: "Of all the beer and wine ads that you see when you're reading magazines, about how many do you look at for more than 5 seconds"; (4) a similar measure of attention to television ads which asked respondents the proportion of beer and wine advertisements that they "watch all the way through"; (5) a measure of how many times **in the last year** (my emphasis) respondents recalled seeing any of four beer advertisements; and (6) the number of times that respondents reported having seen five other advertisements or any other ads for the same brand in the past year. The indices for liquor are similar.

The first two subindices suffer from self-selection and self-reporting problems. That is, it is quite possible: (1) that heavy drinkers are more likely to watch sports shows and read magazines with a lot of alcohol ads (in fact, this is almost certainly the reason that alcohol ads are placed there), and (2) that heavy drinkers are more likely to **say** that they watch a lot of sports shows and read certain types of magazines. This means that to extrapolate about the effect on alcohol consumption using these indices as measures of advertising exposure is next to impossible. Tastes in alcohol consumption, sports shows, and magazines are likely to be all jointly determined by other factors, and there is no reason to think that the effect of alcohol advertising is being captured here. Furthermore, as Strickland notes:

> Whether these 10 magazines are the ones most read by the respondents is immaterial to the computations, and the fact that even individuals who report reading none of the magazines included may

read others containing alcohol advertisements is ignored." [Strickland, op. cit.]

The last four subindices all suffer critically from the self-reporting problem discussed earlier. In each case the respondents are essentially asked to evaluate their own exposure to alcohol advertisements. The measures rely completely on the recall of respondents, and given that one would expect serious drinkers to pay more attention to advertising than would casual drinkers, a correlation between these measures and drinking is not surprising. Again, however, these variables are measuring the attentiveness of the respondents to alcohol advertising, which is in no way an unbiased measure of exposure to advertising. In sum, even if nothing else were a problem in this study, the measure of exposure to advertising is so biased that its observed positive relationship with consumption could not be considered indicative of any relationship between actual exposure to advertising and actual consumption. It should also be reiterated that the alcohol consumption variables suffer from being self-reported as well.

This leads us naturally to the fourth area of concern, that of causality. This is touched upon by Atkin and Block, and is related to the shortcomings both of using cross-sectional data and of the measures employed. In any cross-sectional study, one in which all observations are taken at the same point in time, attributing causality is technically impossible. Nevertheless cross-sectional results showing an association between two variables are often used in support of hypotheses about causal relationships. This is most reasonable when there is a solid theoretical reason to expect that causation should work principally in one direction. A good example of this would be the relationship between household income and household consumption expenditures. It would make very little sense for household income to depend on household consumption expenditures rather than the other way around. In the case of the positive relationship between advertising exposure and consumption of alcohol, attributing causality based on theoretical considerations might be done with some degree of confidence if one were able to in fact measure advertising exposure and alcohol consumption objectively and control for other factors. The major difficulty here is that the measure of exposure is far from objective and lends itself to a very plausible theory of reverse causation. In other words, given that the study is cross-sectional, one cannot determine causality from the data, and given the measures employed, one theory of causality is as good as another. There is no more reason to conclude, on the basis of Atkin and Block's results, that exposure to alcohol advertising causes increased consumption, than there is to conclude that the more alcohol one consumes, the more one is likely to obtain exposure to alcohol advertising.

In discussing causality, it should be pointed out that a positive correlation between two variables can be accounted for by other factors, and it is not necessarily the case that there is any causal relationship whatsoever. It may be the case that both exposure to alcohol advertisements and alcohol consumption are determined by preferences formed in early childhood, for example. Although some attempt was made to control for this in Atkin and Block's preliminary regression models (which were not published with the final reports), it is not at all clear that the relevant variables were included in the analysis.

The final area of concern has to do with the statistical analysis employed by Atkin and Block. The major results of the study are given in the form of comparing the mean amounts of alcohol consumption for those who scored above the median for exposure to advertising to those who scored below the median. Although the differences are statistically significant according to Atkin and Block, this type of comparison is not as useful for measuring the strength of a relationship between two variables as a correlation coefficient would be, nor does it control for the effects of other factors as regression coefficients would. The preliminary study which went unpublished did include correlation coefficients and regression coefficients. It is worth noting that while the degree of correlation is moderately high (.41) between exposure and liquor consumption, the correlation coefficients relating exposure to beer and wine consumption are quite low (.24 and .12, respectively), suggesting a relatively weak relationship. The regression coefficients, controlling for selected demographic variables, are somewhat lower for all three types of alcohol consumption. The preliminary study gives no significance tests in the regression and correlation tables, which brings into question the validity of the results. Martin Block has stated (telephone conversation), however, that virtually all the coefficients reported were statistically significant.

Conclusion

The Atkin and Block study is, by its own admission, an exploratory study that was not meant to be a rigorous test of any hypothesis. Because of the nature of the study, the sampling technique, the ways in which the measures of exposure to advertising and alcohol consumption were constructed, and the statistical analysis employed, it is impossible to make any meaningful statements about the effect of alcohol advertising on alcohol consumption based on Atkin and Block's results.

3. Blane, H.T. and L.E. Hewitt (1977), *Mass Media, Public Education, and Alcohol: A State-of-the Art Review*. Chapter 4: "Alcohol and Advertising," prepared for NIAAA.

The authors review the literature on alcohol advertising and consumption. First, they look at the evidence concerning the effect of advertising on sales. They state that none of that literature can "aid us much in determining the effect of advertising on total consumption levels, let alone its effect on abusive or nonabusive consumption." Instead, most of the studies cited are concerned with the effect of advertising on the sales of one brand. Later, however, they conclude that "Generally speaking, it appears that advertising is not a primary factor in raising consumption levels of packaged goods like alcoholic beverages, but it may nonetheless have considerable influence in maintaining levels."

Next, they survey the marketing research literature. They state that "advertising by the alcohol industry aims at increasing sales by attracting three types of purchasers: completely new buyers, new-to-the-brand buyers, and brand-loyal customers. It also attempts to increase the level of purchasing among brand-loyal buyers and to decrease the number of these old customers who switch to other brands." Generally, they find that a 20 year old "'industry principle' not to attempt to increase percapita consumption, to convert nondrinkers to drinkers, or to sell to minors," is still operative. For example, they cite a marketing service that suggests targeting ads to segments of the population that tend to be heavy users. But this approach is also consistent with the brand-switching theory, i.e. that total consumption is not affected.

The third section of their review analyzes the content of television and other media programming. They cite several sources indicating a high frequency of alcohol drinking or other references to alcohol, from 1.4 to 4.0 alcohol "events per hour on television. One study found alcohol was consumed or mentioned on 81% of daytime soaps and 83% of prime time shows. Beer and wine commercials are less frequent (from 4 to 13 times less), yet they have a longer duration per "event". At the time of their review, only about 3% of all alcohol messages were public service announcements. Blane and Hewitt contend that it is impossible to assess the effect of these alcohol references on alcohol abuse. One can argue that a good deal of the programming helps to delineate socially acceptable and unacceptable behavior. Or, they may reinforce "attitudes conducive to indiscriminate consumption." They conclude that "clearly much more research is needed before one can say with any degree of certainty that alcohol programming increases alcohol consumption."

Next, Blane and Hewitt review the existing literature on advertising bans. They cite the lack of any changed consumption patterns as a result of two partial advertising bans in Canada. However, since these were partial, local bans and were for relatively short periods of time, it is not possible to extrapolate these results to total advertising bans. They also cite several cases where homogeneous package goods are sold without any advertising. Alcohol consumption in the Soviet Union "has risen steadily since 1957, despite price increases and restrictions on times of sale and amounts purchased," and a total advertising ban. "A similar phenomenon ocurred in the United States during Prohibition..." They also cite the successful marketing of Hersheys candy bars despite the fact that they spent nothing on advertising until 1969. The case of cigarette ad bans is slightly different, with some studies suggesting total consumption growth may have been dampened by media ad bans. One study goes as far as to estimate a 5% drop in consumption if a total ad ban on cigarettes was instituted (Simon, 1970). However, this estimate is highly speculative and the author himself has many reservations about its use. Finally, Blane and Hewitt mention a possible adverse effect of an ad ban, namely a "heightening ambivalence about alcohol, that may increase alcoholic casualties."

Blane and Hewitt also consider the "economic effects" of an ad ban, by which they mean who will gain and lose from a ban (e.g. ad agencies, alcoholic beverage retailers, etc.). However, these are equity issues, none of which relates to the merits of an ad ban as a means of controlling alcohol abuse.

After concluding that an advertising ban is not a particularly worthwhile remedy to the problem of alcohol abuse, Blane and Hewitt examine a few alternatives. One possibility is to use tax incentives/disincentives to make alcohol advertising more expensive. Another potentially promising route is industry self-regulation. They cite the NAB's "family viewing time" rule designed to reduce sex and violence during family hour viewing. This rule alone reduced the number of drinking scenes during these hours. Finally, they discuss public service announcements (PSA) or countercommercials. Although the experts are divided on the effectiveness of existing PSA's, they are potentially an important remedy in reducing alcohol abuse.

4. Bourgeois, Jacques C. and James G. Barnes (1979), "Does Advertising Increase Alcohol Consumption?" *Journal of Advertising Research*, 19, pp. 19-29.

The authors are interested in the effect of various controllable market variables, including print and broadcast advertising, on the per-capita consumption of alcohol in Canada. They select the period 1951 to 1974 and examine absolute alcohol consumption, as well as the categories of beer, wine, and spirits. Other controllable variables considered are prices, taxes, the number of liquor stores, the minimum drinking age, and the introduction of the breathalyzer.

The paper begins with a convenient literature summary, broken down by the effect of each type of controllable variable on alcohol consumption. The model they themselves formulate is both longitudinal and cross-sectional, since they consider each of the ten provinces of Canada separately. They emphasize deficiencies in their data, particularly the advertising measurements. Extensive interpolation and extrapolation is required in order to obtain a complete data series.

In addition to the controllable variables mentioned, the authors include a large number of semicontrollable and noncontrollable nonmarketing variables, selected after a principal-components analysis, but for which results were not reported. Their estimation precedure is similar to that of Lambin (1976), being in log-linear form. Variables significantly correlated to time were so regressed, and only the residuals were used as variables. Four functional forms were finally selected.

Their results yield a bewildering array of effects of aggregate advertising on the consumption components. For instance, while print advertising for alcoholic beverages in general is found to have a significantly positive effect on beer consumption, it has a significantly negative effect on spirits consumption. This indicates strong interrelationships between beer, wine, and spirits. It thus seems inappropriate that advertising should be aggregated across all three products when individual products are considered.

When regressed against total per-capita alcohol consumption, there was no significant effect of either print or broadcast advertising. It is felt that this model is more reliable than those for individual consumption categories. Prices, on the other hand, were found not to be of signifiance, though taxes were. The number of liquor stores available was also not significantly related to per-capita alcohol consumption, but the minimum drinking age and the introduction of the breathalyzer were positively related. It is speculated that the peculiar sign obtained for the latter might have resulted from the induced increase in home consumption of alcohol. In their final summation Bourgeois and Barnes state:

> Thus this study produced little evidence to support the claim that the level of per-capita consumption of alcoholic beverages in Canada is influenced by the volume of advertising for these products.

- 5. Duffy, Martin (1982), "The Effect of Advertising on the Total Consumption of Alcoholic Drinks," *Journal of Advertising*, pp. 105-17.

This paper is similar in terms of methodology and data sources to the work of Hagan & Waterson (1983). Quarterly aggregate time-series data are used for the period 1963 to 1978 in order to estimate demand for alcoholic drink in the UK. In addition to overall alcoholic drinking, separate demand functions for beer, wine, and spirits are estimated. This was motivated by the fact that the various type drinks appear to have substantially different price and income elasticities. According to the author, this may account for the difficulties McGuiness (1980) had in obtaining a stable estimate of the effect of aggregate alcohol price on aggregate alcohol consumption. While McGuiness also ran estimates with disagregated advertising, Duffy criticizes him for not also disaggregating the other variables.

The model is of the log-linear form, with prices, income, and advertising as the explanatory variables. Unlike Hagan & Waterson (1983), no lagged dependent variable is included, since in a previous paper, the author found no significant lingering effect of advertising upon consumption. Rather than seasonally adjust the data, Duffy uses seasonal dummies. He runs both ordinary least squares and two-stage least squares, though the results do not vary greatly between the two. For the latter, he specifies firm advertising expenditures in the manner of Schmalensee (1972).

For alcoholic drink in general, both income and price are significant and of the expected sign, with demand being price-inelastic and income-elastic. Advertising on the other hand has no significant effect. In the individual categories, Duffy finds that spirits and wine have a high income elasticity, being luxury goods, and that price has the correct negative sign. It is still the case that advertising has no effect on either of these goods. For beer, on the other hand, income has a lesser effect, while price becomes of the wrong sign, though insignificant. What is more, beer appears to be significantly affected by advertising. Duffy finds, however, that this beer equation is unstable, leading him to suspect a structural shift. He therefore reruns the model over the period 1971 to 1978. While he obtains results for spirits and wine that are much as before, the beer equation now has advertising being insignificant, with income and price significant and of the expected signs.

Duffy ends with an interesting thesis: that eliminating advertising might lead to lower prices and hence higher consumption, if firms being unable to compete through advertising, resort to greater price competition.

6. Hagen, L. W. and M. J. Waterson (1983), *The Impact of Advertising on the United Kingdom Alcoholic Drink Market*. The Advertising Association.

The booklet begins with a brief survey of prior research as to the effects of advertising on the economy in general, and the alcohol and cigarette industries in particular. All the citations mentioned by Hagen and Waterson support the notion that advertising has little effect on consumption at these levels of aggregation.

Hagen and Waterson continue with their own single equation regression of factors influencing alcohol consumption in the United Kingdom over the period 1961-1980. They run their model both for combined alcohol products and for the separate components beer, spirits, and wine. The independent variables are price, income, advertising, and atime trend. For advertising data, they simply uise expenditures in the television and print media, deflated and in per-capita terms. A lagged independent variable is included, since they assume a decay rate in advertising stock of .7. The dependent variable is measured as expenditure in real terms. The model they fit is of the classical log-linear type. By using quarterly data they partly relieve the advertising-sales simultaneity problem. Because of a marked seasonal pattern in this quarterly data, they also employ a seasonally differenced model, in addition to the classical one.

For their combined alcoholic products model, they obtain that both price and income are significant and of the expected sign, using either the classical or seasonally differenced form. Advertising stock, however, is never significant. They conclude that advertising plays no discernable part in alcohol consumption in the short or medium term. For their individual sectors, the main differences are that price is not significant in the wine model and income is not significant in the beer one.

7. Intriligator, Michael D., Hossein Salehi and Stuart O. Schweitzer (1983), "Alcoholism: An Econometric Model of Its Causes, Its Effects and Its Control," in *Economics and Alcohol*, edited by Marcus Grant, Martin Plant and Alan Williams, Gardner Press, New York, pp. 107-27.

This paper is an econometric analysis of alcohol consumption and alcoholism in 35 states in 1975. The authors specify demand functions for four variables - beer consumption, spirits consumption, alcoholism and alcohol-related mortality. Explanatory variables include income, tourism, urbanization, temperature, religion, consumption of wine, price of beer, price of spirits, number of outlets, minimum drinking age, alcoholism rehabilitation expenditures, unemployment and advertising. The advertising variable was a zero-one dummy depending on whether or not any alcohol advertising (beyond the national media) was permitted in the state. The model is simultaneous, in that all four dependent variables are treated as though they are also dependent on each other. For example, a higher price of beer may directly decrease beer consumption, but may indirectly increase spirit consumption by lowering its relative price. Furthermore, the net effect could be an increase *or* decrease (or no change) in the alcoholism rate. In a simultaneous model, these net effects can be estimated.

According to their estimates, "a prohibition on advertising for alcoholic beverages leads *not* to a general reduction in alcoholic beverage consumption but rather a *shift* from beer consumption to spirits consumption." On balance, however, they estimate that banning advertising in a state would reduce alcoholism by 15%, although it would *increase* the mortality rate slightly (less than 1%). The increased mortality rate appears to be the result of the increased consumption of spirits.

They found little change in alcoholism rates due to a change in the minimum drinking age, outlets per capita or rehabilitation expenditures. However, price and unemployment did have significant effects.

It is important to realize the limitations of this analysis for assessing the impact of advertising on alcoholism. A ban on advertising in a state primarily affects price and availability. Local retail advertising enables firms to inform consumers about and compete on the basis of price, location, hours of operation, stock, etc. This is very different from the advertising that is done on television at the national level. Thus, a ban on local advertising is likely to reduce competition and raise price. It is not clear that such an effect would result from a national ban on advertising.

Further, the authors do not control for state restrictions on the sale of alcohol. State restrictions may include ownership (e.g., state-owned stores; the number of stores an individual can own), hours of operation, location, etc. Presumably, these restrictions are highly correlated with advertising bans. The author's ad ban variable may even be serving as a proxy for state restrictions. This is consistent with other studies that suggest the availability of alcohol is an important predictor of consumption.

One final comment on this article concerns their comment that "average statewide consumption has no significant effect on either alcoholism or alcohol-related mortality." This is an important point to keep in mind, since most empirical studies have looked at per-capita consumption. Although the average consumer may be price sensitive or tend to respond to advertising pitches (at least in the short-run), this may not be true for the alcoholic, or the person predisposed to this disease. Unlike many other studies, this paper looks at alcoholism and mortality directly.

8. Kohn, Paul M. and Reginald G. Smart (1984), "The Impact of Television Advertising on Alcohol Consumption: An Experiment," *Journal of Studies on Alcohol*, 45, pp. 295-301.

Kohn and Smart conducted a controlled experiment to measure the impact of beer advertising on beer consumption during the period of television viewing. Two variables were controlled during a two hour period: (1) the frequency of beer commercials (0, 4, or 9) and (2) the access to beer (either immediate or delayed half an hour). The 125 male, college aged subjects watched an indoor soccer game ostensibly to evaluate its potential fan appeal.

> The results of this experiment suggest that limited exposure to televised beer commercials briefly stimulates beer consumption... However, further exposure does not seem to contribute to further consumption. In fact, over the course of the experiment as a whole, amount of advertising exposure had no significant effect on consumption. Delayed access to beer led to compensatory consumption when the beer became available. The final result was that the delay had no effect on the consumption of beer over the experiment as a whole.

9. Kohn, Paul M., Reginald G. Smart and Alan C. Ogborne (1984), "Effects of Two Kinds of Alcohol Advertising on Subsequent Consumption," *Journal of Advertising*, 13, pp. 34-48.

The authors report on an experiment designed to test the effect of beer advertising on consumption of alcohol. Their subjects were males aged 19-45 who indicate they drink alcohol. Individuals were contacted at a shopping mall and (under the guise of marketing research) asked questions about either various ads for one brand of beer or unrelated questions about the shopping mall (as controls). Participants were given food vouchers to be used at a nearby restaurant. Their alcohol consumption was monitored (without their knowledge) and supposedly unrelated market research interviews were conducted 6-12 weeks later by phone. The results indicated no short-term or long-term change in alcohol consumption or in brand loyalty.

10. McCarty, D. and J. A. Ewing (1983), "Alcohol Consumption While Viewing Alcoholic Beverage Advertising," *The International Journal of the Addictions*, 18, pp. 1011-18.

McCarty and Ewing conducted a controlled experiment, with 112 subjects, to test three hypotheses: (1) does alcohol advertising induce consumption? (2) does alcohol advertising prompt faster drinking? (3) are drinkers more influenced by alcohol when they are drinking? McCarty and Ewing concluded that "alcoholic beverage advertisements did not increase either the quantity of liquor poured in mixed drinks or the rate of drinking." The setting employed by this study was so contrived - subjects viewed and discussed slides of ads for 30 minutes after mixing one drink and before mixing another - that generalizations to actual behavior become suspect.

11. McGuiness, Tony (1980), "An Econometric Analysis of Total Demand for Alcoholic Beverages in the U.K., 1956-1975," *The Journal of Industrial Economics*, 29, pp. 85-109.

As the title suggests, this work investigated the economic factors influencing alcohol consumption in Great Britain over the period 1956-1975. Consumption was measured both in terms of expenditure and volume of alcohol consumed. As with any study reporting the quantity of alcohol consumption, the individual types of drinks - beer, spirits, wines, and ciders - were weighted by their alcoholic content before being aggregated. The explanatory variables considered were the real price of drink, real income per capita, advertising, the number of licensed premises, and a time trend. Aggregate advertising, which covered the press and television only, was employed in some estimations, whereas in others advertising was broken into individual components by the type of drink.

The model selected was a single equation regression equation, run in both a linear and semi-logarithmic form. Because the author found little evidence that current consumption is influenced by past advertising, he chose not to include a lagged dependent variable. Ordinary least squares was used, with all variables in first differenced form, to overcome multicollinearity problems. At a later point, the author reformulated the model to account for the possibility of simultaneity between advertising and sales. In doing this, he used price of an advertising message per adult and the interest rate, two factors in the advertising equation, to form an instrumental variable. This replaced spirits advertising in the demand equation, which he again estimated by ordinary least squares.

The results McGuiness obtains for total alcohol consumption indicate that price is significant and of the expected sign, though he finds it unclear whether income is also a significant factor. The most strongly significant factor is found to be the number of licensed premises. While he cannot be sure of the causality between pubs and sales, he argues that there is a considerable lag in opening a licensed premise, so that the measured coefficient presumably reflects the effect of the existing number of locations on alcohol consumption. Finally, McGuiness concludes that spirits advertising has a significantly positive impact on alcohol consumption, though advertising for other type drinks had no significant effect. The elasticity of alcohol consumption to spirits advertising is estimated to be about .2. For advertising in general, McGuiness finds that in 1975 a 1% reduction in advertising would have reduced alcohol consumption between .2 and 1.0 fluid ounce per adult.

12. Ogborne, Alan C. and Reginald G. Smart (1980), "Will Restrictions on Alcohol Advertising Reduce Alcohol Consumption," *British Journal of Addiction*, 75, pp. 293-96.

This article analyzes data from two separate sources in an attempt to measure the effect of alcohol advertising restrictions on consumption. The first data set concerns beer consumption in Manitoba, Canada from 1970-1977. Manitoba banned all beer advertising from electronic and print media in 1974. A time-series analysis of monthly sales showed an increase over time, the same increase as was found in Alberta, where no ad ban was in effect.

One of the problems with the Manitoba data is that other factors may not have been adequately controlled. Although the authors claim that per-capita consumption and alcoholism rates are similar in Manitoba and Alberta, a more careful analysis would specify and estimate the determinant of demand for beer before and after the ad ban. Smart and Cutler exclude all other economic variables likely to influence beer consumption: price, income, prices of related goods. It is also possible that demographic changes increased consumption and overshadowed any decrease due to the ad ban. Furthermore, since wine and distilled spirits were still being advertised in Manitoba, even a properly conducted study would not be able to assess the effects of a total ad ban. Finally, the Manitoba government was unable to control advertising that originated outside the Province. It is quite possible that beer commercials in adjacent provinces were substantially increased.

The second data set involves per-capita consumption of alcohol and alcoholism rates for each state in the U.S. States were classified by the degree of advertising restrictions, degree of urbanization, income and availability of alcohol. Linear regressions were run with the dependent variables being per- capita consumption and alcoholism rates. Advertising restrictions accounted for no statistically significant variation in either per-capita consumption or the alcoholism rate. Total consumption, urbanization and availability were positively correlated with alcoholism. Income and availability were positive predictors for per-capita consumption.

Although this latter study supports the hypothesis that advertising restrictions have little effect on consumption, it is possible that state restrictions are simply ineffective. Again, the problem of adjacent states and national advertising has not been addressed. One important finding of this study, however, is that state restrictions on the availability of alcohol can have a significant effect on consumption and alcoholism.

13. Whitehead, Paul C. (1983), "Is Advertising Effective? Implications for Public Health Policy," in *Evaluation Research in the Canadian Addictions Field.*

Whitehead reviews the advertising literature to question whether government sponsored advertising should be the vehicle to influence consumer use of alcohol. Whitehead states that "there is little evidence that advertising campaigns have thus far enjoyed much success as parts of efforts to change behaviour in a manner considered consistent with the primary prevention of alcohol-related damage. If such campaigns are to be used it might be worthwhile to consider how they might fit into a larger marketing strategy and by taking into account some of the known limitations that can be derived from advertising research generally."

Whitehead notes the correlation between alcohol advertising and alcohol sales over the past twenty years, but also states that "a causal link between these two phenomena has not been demonstrated." Whitehead makes a general statement "that advertising can successfully be used to alter market share and/or total demand under certain circumstances." Yet, he presents no evidence that these circumstances exist in the alcohol industry, despite his contention that they do exist. This survey contains no original research on the advertising - alcohol issue. Whitehead acknowledges the controversy between those who find a link between alcohol advertising and consumption, and those who do not.

14. Whitehead, Paul C. and Barbara Szandorowska (1977), "Introduction of Low Alcohol Content Beer," *Journal of Studies on Alcohol*, 38, pp. 2157-64.

The authors surveyed 76 people who had recently purchased a newly introduced low alcohol beer ("Cool Spring") at the manufacturer's retail outlet in Ontario. Of particular interest was whether consumers purchased the new product to *replace* consumption of stronger beer, to *increase* the situations at which alcohol was consumed, or to become *new* alcohol drinkers. In most (87%) cases, consumers used Cool Spring as a substitute for stronger beer. After noting the possibility that less alcohol may have been consumed by these people, Whitehead and Szandorowski emphasized the finding that 11.3% of the "drinking occasions" involved using Cool Spring where no alcohol had been previously used.

This study, unfortunately, made no attempt to determine if the *quantity* of alcohol consumed changed when consumers substituted low alcohol beer for other beverages. Absent the latter piece of information, statements regarding the level of alcohol consumed due to the introduction of low alcohol beer remain purely conjectural. A ban on alcohol advertising could make it more difficult for new products, such as low alcohol beer, to penetrate the market. This study does not address whether the introduction of such products increases or decreases alcohol consumption.

REFERENCES

1. Ackoff, Russell L. and James R. Emshoff (1975), "Advertising Research at Anheuser-Busch, Inc. (1963-68)," *Sloan Management Review*, 16, no. 2, pp. 1-15.

2. Albion, Mark and Paul W. Farris (1981), *The Advertising Controversy: Evidence on the Economic Effects of Advertising*. Boston, Auburn House.

3. Atkin, Charles, Kimberly Neuendorf and Steven McDermott (1983), "The Role of Alcohol Advertising in Excessive and Hazardous Drinking," *Journal of Drug Education*, 13, pp. 313-26.

4. Atkin, Charles, and Martin Block (1980), "Content and Effects of Alcohol Advertising," *Final Report submitted to Bureau of Alcohol, Tobacco and Firearms, Federal Trade Commission, National Institute on Alcohol Abuse and Alcoholism, and Department of Transportation.*

5. Bass, F. M. (1969), A simultaneous equation regression study of advertising and sales of cigarettes, *Journal of Marketing Research*, 6, pp. 291-300.

6. Bassman, R. L. (1955), *Application of Several Econometric Techniques to a Theory of Demand with Variable Tastes* (unpublished Ph.D. dissertation in Iowa State University Library).

7. Benham, Lee (1972), "The Effect of Advertising on the Price of Eyeglasses," *Journal of Law and Economics*, 4, pp. 337-52.

8. Blane, H. T. and L. E. Hewitt (1977), *Mass Media, Public Education, and Alcohol: A State-of-the-Art Review*, Chapter 4: "Alcohol and Advertising," prepared for NIAAA.

9. Bond, Ronald S., John E. Kwoka, Jr., John J. Phelan and Ira Taylor Whitten (1980), *Staff Report on Effects of Restrictions on Advertising and Commercial Practice in the Professions: The Case of Optometry*, Bureau of Economics, Federal Trade Commission.

10. Borden, Neil H. (1942), *The Economics Effects of Advertising*. Chicago, Richard D. Irwin.

11. Bourgeois, Jacques C. and James G. Barnes (1979), "Does Advertising Increase Alcohol Consumption?" *Journal of Advetising Research*, 19, pp. 19-29.

12. Brown, R. A. (1978), "Educating Young People About Alcohol Use in New Zealand: Whose Side Are We On?", *British Journal on Alcohol and Alcoholism*, 13, pp. 199-204.

13. Cady, John (1975), *Drugs on the Market: The Impact of Public Policy on the Retail Market for Prescription Drugs.* Lexington, Lexington Books.

14. Clarke, Darral G. (1976), "Econometric Measurement of the Duration of Advertising Effect on Sales," *Journal of Marketing Research*, 13, pp. 345-57.

15. Comanor, William and Thomas Wilson (1974), *Advertising and Market Power.* Cambridge, Harvard University Press.

16. Cowling, Keith, John Cable, Michael Kelly and Tony McGuiness (1975), *Advertising and Economic Behavior.* New York, Holmes & Meier Publishers.

17. Dorn, N. and N. South (1983), *Message in a Bottle*, Gower, Aldershot.

18. Doron, Gideon (1979), *The Smoking Paradox: Public Regulation in the Cigarette Industry.* Cambridge, Abt Books.

19. Duffy, Martin (1982), "The Effect of Advertising on the Total Consumption of Alcoholic Drinks," *Journal of Advertising*, pp. 105-17.

20. Ferguson, James M. (1974), *Advertising and Competition: Theory, Measurement, Fact.* Cambridge, Ballinger.

21. Gordon, T. and W. B. Gordon (1984), "Drinking and Mortality: The Framingham Study," *The American Journal of Epidemiology*, 120, pp. 97-107.

22. Grabowski, Henry (1976), "The Effects of Advertising on the Inter-industry Distribution of Demand," *Explorations in Economic Research*, 3, pp. 21-75.

23. Hagen, L. W. and M. J. Waterson (1983), *The Impact of Advertising on the United Kingdom Alcoholic Drink Market.* The Advertising Association.

24. Hamilton, James L. (1972), "The Demand for Cigarettes: Advertising, the Health Scare and the Cigarette Advertising Ban," *Review of Economics and Statistics*, 54, pp. 401-11.

25. Houthakker, H. S. and L. D. Taylor (1965), *Consumer Demand in the United States, 1929-1965.* Cambridge, Harvard University Press.

26. Intriligator, Michael D., Hossein Salehi and Stuart O. Schweitzer (1983), "Alcoholism: An Econometric Model of Its Causes, Its Effects and Its Control," in *Economics and Alcohol*, edited by Marcus Grant, Martin Plant and Alan Williams, Gardner Press, New York, pp. 107-27.

27. Ippolito, Richard A., R. Dennis Murphy, and Donald Sant (1979), *Staff Report on Consumer Responses to Cigarette Health Information*, Bureau of Economics, Federal Trade Commission.

28. Jacobs, William W., Brenda W. Dourbrava, Robert P. Weaver, Douglas O. Stewart, Eric L. Prahl, William R. Porter, Nathaniel Greenspun and R. Dennis Murphy (1984), *Staff Report on Improving Consumer Access to Legal Services: The Case for Removing Restrictions on Truthful Advertising*, Cleveland Regional Office and Bureau of Economics, Federal Trade Commission.

29. Johnston, Jack (1980), Advertising and the Aggregate Demand for Cigarettes: A Comment, *European Economic Review*, 14, pp. 117-25.

30. Kessides, Ioannis N. (1983), "Advertising Sunk Costs and Barriers to Entry," Bureau of Economics Working Paper 101, Federal Trade Commission.

31. Kihlstrom, Richard E. and Michael H. Riordan (1984), "Advertising as a Signal," *Journal of Political Economy*, 92, pp. 427-50.

32. Klein, B. and K. Leffler (1981), "The Role of Market Forces in Assuring Contractual Performance," *Journal of Political Economy*, 89, pp. 614-41.

33. Kohn, Paul M. and Reginald G. Smart (1984), "The Impact of Television Advertising on Alcohol Consumption: An Experiment," *Journal of Studies on Alcohol*, 45, pp. 295-301.

34. Kohn, Paul M., Reginald G. Smart and Alan C. Ogborne (1984), "Effects of Two Kinds of Alcohol Advertising on Subsequent Consumption," *Journal of Advertising*, 13, pp. 34-48.

35. Lambin, J. J. (1976), *Advertising, Competition and Market Conduct in Oligopology over Time*. Vol. 94, Contributions to Economicanalysis, Amsterdam, North-Holland.

36. Lewit, Eugene M., Douglas Coate and Michael Grossman (1981), "TheEffects of Government Regulation on Teenage Smoking," *Journalof Law and Economics*, 24, pp. 545-70.

37. Maier, F. H. (1955), "Consumer Demand for Cigarettes Estimated from State Data," *Journal of Farm Economics*, 37, pp. 690-704.

38. McCarty, D. and J. A. Ewing (1983), "Alcohol Consumption While Viewing Alcoholic Beverage Advertising," *The International Journal of the Addictions*, 18, pp. 1011-18.

39. McGuiness, Tony (1980), "An Econometric Analysis of Total Demand for Alcoholic Beverages in the U.K., 1956-1975," *The Journal of Industrial Economics*, 29, pp. 85-109.

40. McGuiness, Tony, and Keith Cowling (1975), Advertising and the Aggregate Demand for Cigarettes, *European Economic Review*, 6, pp. 311-28.

41. Meissner, Frank (1961), "Sales and Advertising of Lettuce," *Journal of Advertising Research*, 1, pp. 1-10.

42. Mendelsohn, Harold and Garrett J. O'Keefe (1984), "Taking a Bite Out of Crime: The Impact of a Mass Media Crime Prevention Campaign," National Institute of Justice.

43. Milgrom, P. and J. Roberts (1983), "Price and Advertising as Signals of Product Quality," Stanford Business School, mimeo.

44. Nelson, Phillip (1974), "Advertising as Information," *Journal of Political Economy*, 82, pp. 729-54.

45. Nerlove, Marc, and F. V. Waugh (1961), "Advertising Without Supply Control: Some Implications of a Study of the Advertising of Oranges," *Journal of Farm Economics*, 43 pp. 813-37.

46. Ogborne, Alan C. and Reginald G. Smart (1980), "Will Restrictions on Alcohol Advertising Reduce Alcohol Consumption," *British Journal of Addiction*, 75, pp. 293-96.

47. Ornstein, Stanley I., (1977), *Industrial Concentration and Advertising Intensity*. American Enterprise Institute for Public Policy Research, Washington,D.C.

48. Peles, Yoram (1971), "Rules of Amotization of Advertising Expenditures," *Journal of Political Economy*, 79, pp. 1032-58.

49. Porter, Robert H. (1984), "The Impact of Governmental Policy onthe U.S. Cigarette Industry," University of Minnesota.

50. Sackrin, S. M. (1962), "Factors Affecting the Demand for Cigarettes," *Agricultural Economics Research*, 14, pp. 81-88.

51. Schmalensee, Richard (1972), *The Economics of Advertising*. Vol. 80, Contributions to Economic Analysis, Amsterdam, North-Holland.

52. Schneider, Lynne, Benjamin Klein, and Kevin M. Murphy (1981), "Governmental Regulation of Cigarette Health Information," *Journal of Law and Economics*, 24, pp. 575-612.

53. Schoenberg, Erika H. (1933), "The Demand Curve for Cigarettes," *Journal of Business*, 6, pp. 15-35.

54. Shapiro, Carl (1982), "Advertising as a Barrier to Entry?", Bureau of Economics Working Paper 74, Federal Trade Commission.

55. Simon, J. (1967), "The Effect of the Competitive Structure upon Expenditures for Advertising," *Quarterly Journal of Economics*, 81, pp. 610-27.

56. Simon, Julian L. (1970), *Issues in the Economics of Advertising*. Urbana, University of Illinois Press.

57. Steiner, Robert (1973), "Does Advertisng Lower Consumer Prices?" *J. of Marketing*, 37, pp. 19-26.

58. Strickland, Donald E. (1984), "Content and Effects of Alcohol Advertising: Comment on NTIS Publ. No. PB82-123142," *Journal of Studies on Alcohol*, 45, 1, pp. 87-93.

59. Sturgess, Brian T. (1982), "Dispelling the Myth: The Effects of Total Advertising on Aggregate Consumption," *Journal of Advertising*, pp. 201-12.

60. Taylor, Lester D. and Daniel Wieserbs (1972), "Advertising and the Aggregate Consumption Function," *American Economic Review*, 62, pp. 642-55.

61. Taylor, W. (1968), *Industry Advertising and Demand*. Unpublished Honors A.B. Thesis, Harvard University.

62. Tennant, R. B. (1950), *The American Cigarette Industry*. New Haven: Yale University Press.

63. van Iwaarden, Theo (1983), "Advertising, Alcohol Consumption and Policy Alternatives," in *Economics and Alcohol*, edited by Marcus Grant, Martin Plant and Alan Williams, Gardner Press, New York, pp. 223-37.

64. Whitehead, Paul C. (1983), "Is Advertising Effective? Implications for Public Health Policy," in *Evaluation Research in the Canadian Addictions Field*.

65. Whitehead, Paul C. and Barbara Szandorowska (1977), "Introduction of Low Alcohol Content Beer," *Journal of Studies on Alcohol*, 38, pp. 2157-64.

66. Wilder, Ronald P. (1974), Advertising and Inter-Industry Competition: Testing A Galbraithian Hypothesis, *Journal of Industrial Economics*, 23, pp. 215-26.

Senator Hawkins. Thank you very much. The hearing is adjourned.

[Whereupon, at 2:40 p.m., the subcommittee was adjourned.]

○